

APR 28 1927

NATION'S BUSINESS

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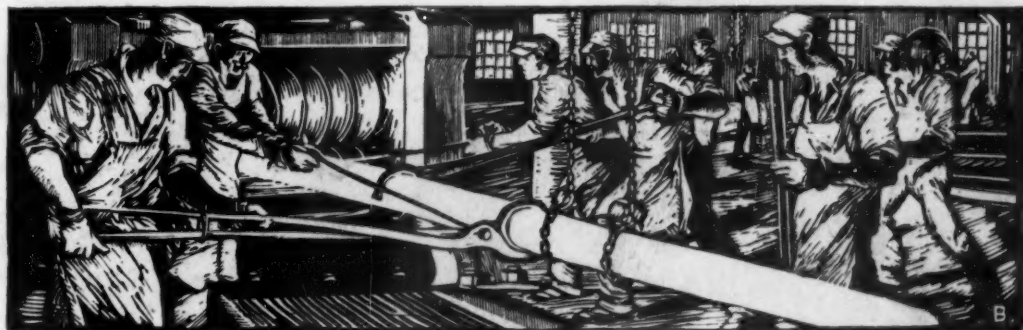
1927

*The Changing Map of
Industry & by Irving S. Paull*

*Mass Retailing Here - And
To Stay & by Edward A. Filene*

*& & Progress Rides in on
Rubber Tires by Charles P. Cushing*

Map of Nation's Business, Page 50



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



And they used to do it with *shovels!*

NOW the "Caterpillar" and back-filler do it
better, quicker, cheaper.

"Caterpillar" track-type tractors make amazing
savings where chores are hard and loads heavy.

What is being done around YOUR plant with
shovels, or horses, or light equipment that can
be done better with "Caterpillars"?

There's a "Caterpillar" dealer near you.

Prices

2-TON ... \$1850
Peoria, Illinois

THIRTY . \$3000
Peoria or San Leandro

SIXTY ... \$5000
Peoria or San Leandro

**Better - Quicker
Cheaper**

CATERPILLAR TRACTOR CO.

Executive Offices: San Leandro, California, U. S. A.

Sales Offices and Factories:

Peoria, Illinois San Leandro, California

Distributing Warehouse: Albany, N. Y.

New York Office: 50 Church Street

Successor to

BEST C. L. Best The Holt Manufac- **HOLT**
Tractor Co. turing Company

CATERPILLAR
REG. U.S. PAT. OFF.



OUR COMMENT on the activity of the Department of Agriculture in applying the higher mathematics to the future of hog prices—hogarithms the *New York Times* called it—brought forth much comment, some flippant, some friendly, and some in denunciation of us for making light of serious things.

One letter accused us of singling out the Department of Agriculture for ridicule. To this charge we take exception.

All departments look alike to us. When they engage efficiently in work that seems to us within their proper powers, we like them. When they undertake things that seem improper as functions of government we shall go on calling attention to them whether the offender be the Treasury, Agriculture or Commerce.

Just the other day our attention was called to a publication issuing from the Department of Commerce dealing with frogs. We started to read and learn, if possible, why the Government of the United States should undertake to educate its public as to frogs.

We read the introduction with its literary reference to Owen Wister's "Virginian and the frawd business;" we assimilated the figures in frog production; we learned how to catch frogs both by hand and by machine methods; we classified frogs into commercial, possibly marketable, and undesirable.

All was well. Then we came to the chapter on mating frogs, and we hesitated. All we knew of the love affairs of frogs was written by Mother Goose (if it were she) who wrote

"The Frog he would a wooing go
Whether his mother would let him or no."

But we read on. We learned that the gentleman frog sings or rather croaks when in love. We learned, too, that he does not hesitate to die in battle in an effort to win his lady.

We started to quote from the pamphlet but hesitated when we recalled the fate that befell the producers of certain plays produced on Broadway. And having hesitated, we were lost. We felt that NATION'S BUSINESS was no place for sex.

Then we calmed our nerves by re-reading "The Principles of Window Curtaining" issued by the Department of Agriculture.

PARADOXES in a month's news: British suffragist asks who looks at ankles today . . . and Gotham Hosiery Company declares initial dividend. Philadelphia women protest annual Atlantic City beauty pageant . . . and output of cosmetics last year valued at \$141,488,000. Dr. Reisner believes Cheops hid mummy of mother . . . and Travellers' Aid Society tells why grandmothers leave home. Premier Bruce of

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Vol. 15

NATION'S BUSINESS

No. 5

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.

THE BANK OF CALIFORNIA, N.A.

A National Bank

SAN FRANCISCO · CALIFORNIA

Founded 1864



CAPITAL	\$8,500,000
SURPLUS & UNDIVIDED	
PROFITS EXCEED	\$8,500,000
TOTAL	\$17,000,000

With a background of over sixty years' participation in the development of the West, this Bank, at each of its offices, provides complete commercial banking facilities for individuals, firms, corporations, banks and bankers interested in local or nation-wide enterprises.

FOREIGN TRADE Long-standing, intimate relations with leading commercial banks in principal foreign trade centers enable this Bank, at each of its offices, to handle all banking requirements arising in export and import business.

TRUST SERVICE This Bank, at each of its offices, is authorized to act in every fiduciary capacity permitted an incorporated trustee under Federal laws, and the laws of the respective States.

Branches

OWNED AND OPERATED BY THIS BANK SINCE 1905

PORTLAND	Oregon	Established	1883
TACOMA	Washington	"	1889
SEATTLE	Washington	"	1901

When writing to THE BANK OF CALIFORNIA, N. A., please mention Nation's Business

Australia says trade ties unite world . . . and new French tariff hits America.

Otto Kahn urges students to go into banking . . . and tale of fabulous riches in Colombia nets promoters a million, Post Office inspectors say. Prussia moves to curb nudity on stage . . . and world textile survey needed, Pacific Mills export manager thinks. American motor cars stop better than German, Berlin editor says . . . and 23,000 auto crashes in U. S. last year. District Attorney Banton proposes padlock to regulate theaters . . . and vaudeville celebrates its hundredth birthday.

Edward Payson Weston, famous hiker, happy on his 88th birthday . . . and English racing car makes record of 203 miles an hour on Florida sands. Bar associations demand lawyers of high quality . . . and Clarence Darrow belittles intelligence of juries. "Babe" Ruth talks Yankee owners into 3-year \$210,000 contract . . . and A. T. & T.'s talk revenue for 1926 is \$180,458,912. Disease increased with luxuries, examinations of 30,000 mummies show . . . and 25,000 persons dash madly for new diamond mines in South Africa.

Detroit tradesmen boycott Ford for operating retail meat and grocery stores . . . and Edna Ferber, novelist, sees food prohibition next. A California town boasts of a "horseless" population . . . and Horse Association figures prove advantages of horses in city hauling. Cows along English coast are frightened by fog-horns to detriment of milk . . . and Missouri farmer installs radio loud speaker to charm cows into increased production. Ohio blue law enforcement will get no support from Federal Council of Churches . . . and South Carolina judge sentences dealer for selling cigarettes on Sunday.

France adopts sex-equality . . . and Mussolini says women are inferior. Persia will spend more than \$1,000,000 on highways during coming year . . . and a load of 266 bags of wheat was hauled to market by 22 oxen in Australia. Petroleum income in Mexico falls . . . and Oil fields in Venezuela attract her farm workers. Berlin waiters demand tip increase . . . and German barber cuts rates to unemployed. Intelligentsia assert that art "addles" the business man . . . and Baltimore merchant pays \$250,000 for rare Raphael.

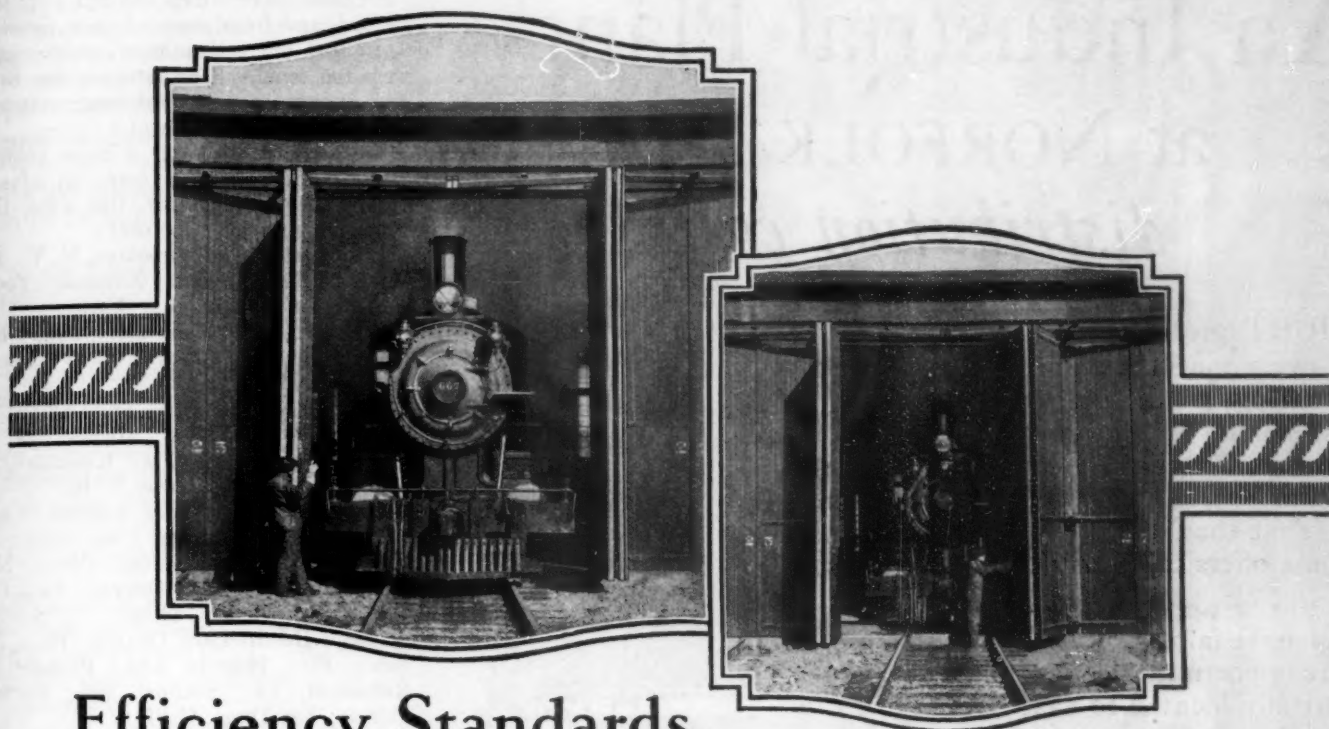
WE HAVE mentioned, from time to time, the fight among food groups for a place in the nation's stomach—green and ripe olives, sauer kraut, cheese, white bread, oranges, bananas, prunes, fish, whale, shark, and rabbit-meat, and so on.

Now comes former Secretary of Agriculture Meredith, urging organization of the egg industry to promote more egg-eating. He tells us that dietitians say each person should eat a minimum of 1½ eggs a day and that the nation is falling short of this mark by three billion dozen eggs every year.

Come on in—the more the merrier!

IN THE April number we mentioned a number of cities which have undertaken campaigns of community advertising. We made no attempt to list all of them. In fact, we said, "Here are some examples of the activities of various communities."

But our good readers would not have it



Efficiency Standards *demand* Industrial Slidetite !

The statement of the Rock Island Lines quoted below is typical of the experience of thousands of industries where R-W Doorway Equipment is giving constant service.

The Engineer of Buildings of the Rock Island Lines, Chicago, says:

"Doors on railroad buildings must stand severe weather conditions and unusually hard service. Yet they must operate smoothly, open completely to clear moving locomotives or cars, and not sag or stick. Minutes count in railroad operation; and a few minutes lost by a stuck roundhouse door are not easy to make up.

"When we recently doubled the capacity of our Burr Oak roundhouse, Richards-Wilcox hangers and ball bearing trolleys were installed on the 20 new door openings. This roundhouse has 40 stalls for freight and suburban passenger locomotives; and as the locomotives are constantly coming and going the 13x17 ft., 4-fold doors are opened and closed many times during the 24-hour day. Although the doors weigh about 1700 lbs. apiece, they are easily operated by one man.

"R-W equipment was specified for this roundhouse because of the performance of R-W equipment in roundhouses, storehouses, and shops throughout the Rock Island system. The first R-W *Slidetite* equipment was installed on the doors of our Chicago coach shops in 1919, and it and some 200 other sets are still in daily use.

"Eight years' experience has proved that R-W equipped doors operate smoothly and easily, stay where they are put, do not sag or stick, and seldom get out of order. The ordinary double door has too much weight on the hinges and no support from above, so that it quickly sags and warps.

"The first R-W equipment installed by us is still in use, and repairs and maintenance have been very light."

There's not an industrial doorway problem, large or small, that R-W Doorway Equipment will not solve. R-W Doorway Engineers will help solve your problems.

Write the nearest service branch

Richards-Wilcox Mfg. Co.

A Hanger for any Door that Slides

New York . . . AURORA, ILLINOIS, U.S.A. . . . Chicago
 Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines
 Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
 Montreal · RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. · Winnipeg

An Industrial Plant at NORFOLK *cuts down* *distribution costs*

EIGHT great railways reaching out to every market in the country—express steamship service at freight rates—frequent sailings by short direct sea routes to the principal ports of Europe and South America—these are but a few of the advantages that the Norfolk-Portsmouth area of Virginia offers to industries.

In this fast-growing area many great businesses have already found industrial sites of rare opportunities. Norfolk-Portsmouth is centrally located to vast supplies of raw materials. Its supply of labor is abundant and high class—95% native born. Hydro-electric and steam power are available at low cost. A mild climate permits of year round operation of outdoor industries.

Norfolk's abundant acreage provides excellent plant sites at moderate cost. Our Industrial Commission will be glad to assist you by preparing an economic and engineering analysis of the Norfolk-Portsmouth industrial area as related to your specific enterprises.

All inquiries held in confidence. Address Norfolk-Portsmouth Industrial Commission, Dept. N₃, Chamber of Commerce, Norfolk, Virginia.

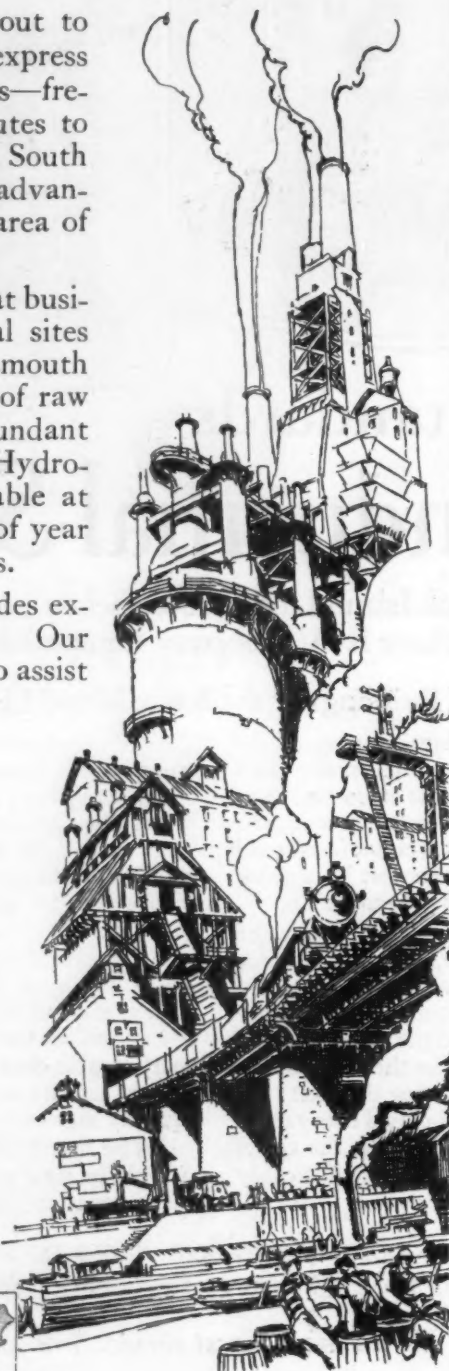
Shaded central section indicates territory where freight rates are cheaper from Norfolk than from a South Atlantic port



Shaded central section indicates territory where freight rates are cheaper from Norfolk than from a North Atlantic port. Rates to Pacific Coast are equal



Shaded sections indicate territory where freight rates are cheaper from Norfolk than from a Great Lakes port



NORFOLK-PORTSMOUTH Chamber of Commerce

When writing to NORFOLK-PORTSMOUTH CHAMBER OF COMMERCE please mention *Nation's Business*

so. From every quarter have come protests from cities which did not appear on the list, and from some of those listed, we learn that our estimates of appropriations were too small. (The latter is due to our well-known appetite for understatement rather than overstatement.)

We are glad to print a more complete list of cities which now carry on advertising programs (excepting, this time, those which we mentioned before):

Birmingham, Ala.; Brooklyn, N. Y.; Burbank, Calif.; Cuban National Tourist Commission; Chicago; Canton, Ohio; Charleston, S. C.; Davenport, Iowa; Daytona Beach, Fla.; Denver, Colo.; Detroit, Mich.; Duluth, Minn.

Elmira, N. Y.; Erie, Pa.; Ft. Myers, Fla.; Greenville, Miss.; Hickory, N. C.; Hawaii; Jacksonville, Fla.; Kankakee, Ill.; Kansas City, Mo.; Keene, N. H.

Lakeland, Fla.; Los Angeles, Calif.; Newark, N. J.; Mason City, Iowa; Mt. Clemens, Mich.; Marion, Ohio; Montanavis, Mont.; New Orleans, La.; Oakland, Calif.; Omaha, Nebr.

Phelps-Hendrickson County, Fla.; Pensacola, Fla.; Phoenix, Ariz.; Philadelphia; Richmond, Va.; Sanford, Fla.; State of Florida; San Diego, Calif.

St. Petersburg, Fla.; New York City; Savannah, Ga.; Sacramento, Calif.; Syracuse, N. Y.; Tacoma, Wash.; Ten Thousand Lakes, Minn.; Tonawanda, N. Y.; Wilmington, Del.; State of Wyoming; State of Idaho.

OUR esteemed contemporaries are finding great interest in the "Ask Me Another" craze. Rather than seem backward in the public interest, we append ten questions, the answers to which will be found in the opposite column. Use the honor system and grade yourself.

1. How does the War Department use NATION'S BUSINESS?
2. Why does a college dean want NATION'S BUSINESS in every college library?
3. Who is the militant objector to our report of the mid-west meeting?
4. Is the self-expression movement confined to the colleges?
5. Is the economic platform of NATION'S BUSINESS sound?
6. How was "A Congressman's Side of It" appraised by a congressman?
7. What rank does NATION'S BUSINESS hold?
8. What subscriber is interested in our longevity?
9. How does NATION'S BUSINESS save time and temper?
10. What does our increasing foreign circulation mean to American business?

TO CONSIDER the wide variety of questions that get into the "Ask Me Another" books is to be pleasantly reminded of the impressive number of inquiries received from our readers. Plainly, in the process of answering these requests for specific information we receive as well as give, for we come to a new measure of the business man's range of interests, and our editorial sights are thus trained to better purpose. We are asked to talk

Of shoes—and ships—and sealing wax—
Of cabbages—and kings—

and the bare listing of some of the ques-

tions suggests an amazing diversity of occupations and interests, and the fact that they were answered satisfactorily attests the scope and dependability of the magazine's information facilities. Specimens from the month's mail:

How many chambers of commerce use radio for community advertising?

Is there a gas refrigerator?

Give list of national associations of manufacturers.

What is the process for manufacturing pearl barley?

Where can I obtain Korean Lespedeza seed?

Is there protection for an unlicensed physician?

Where can I find out about "masonite"?

Can you tell me about the construction of comfort stations under sidewalks?

What is the title of a treatise on collecting accounts?

What are the packing requirements for Hawaii?

Is there an article manufactured to sink corrugated nails or fasteners below surface after they are driven down?

Who are the dealers in brush-making machinery and brushes?

I want to sell an idea for a machine. Whom shall I approach?

What magazines deal with hotels and restaurant management and finance?

What firms are interested in patented indicating car seals?

Who make heat insulators and steam engines?

Who are the perfume importers in New York City?

Can you explain the consequences of \$100 spent in the community?

What is the procedure for registering trade names?

HERE ARE the answers, with authorities, to our "Ask Me Another" in the opposite column:

1. "Your business map is used in governing recruiting activities by increasing efforts at places where the map indicates business is dull."—*Hanford MacNider, Assistant Secretary of War.*

2. "We are spending a large amount of money to do the very thing that could be accomplished much more satisfactorily by placing your magazine in college libraries."—*William Marshall Warren, Dean, College of Liberal Arts, Boston.*

3. Julien N. Friant of Cape Girardeau, Mo., writes: "The report is a very clever misrepresentation of the agricultural part of the meeting. . . . Aside from the fixed program which was stacked against agriculture, all except Mr. Hibbard, who said a few things I do not think they expected to hear, I do not think this article expresses the feelings of those who attended the meeting."

4. No, for J. M. Simmons, of Bainbridge, Georgia, finds in the Chamber of Commerce and NATION'S BUSINESS a chance to express himself.

5. Yes, according to L. P. Spinks, attorney, of DeKalb, Mo., who writes: "If the ideas in your publication could be widely disseminated through the rank and file of the people, I think it would hasten the day when we could have all business founded on a sound economic basis."

6. "I believe this article will do a great deal to put the representatives in much better light with the business world."—*Congress-*

Devoted to the nation's greatest business HOME-MAKING



HOME INTEREST The Profitable Door to Home Sales

MANY advertisers whose success has won nation-wide respect, report that in traceable returns per dollar of advertising invested, BETTER HOMES and GARDENS stands at the top.

BETTER HOMES and GARDENS is the one magazine covering the *Complete Home* both inside and out.

It is a source of inspiration to more than 900,000 substantial American families who are interested in developing better homes—

and a source of profit to manufacturers whose products have a place in the home.

BETTER HOMES and GARDENS

E. T. MEREDITH, Pub., Des Moines, Iowa

ADVERTISING OFFICES:
NEW YORK, PHILADELPHIA
CHICAGO, MINNEAPOLIS
KANSAS CITY, ST. LOUIS
SAN FRANCISCO

Thousands of
business men
keep in touch
with home
development
by reading
BETTER
HOMES and
GARDENS
each month



Keep Dollar Signs on Your Clock

TIME, not money, is the real medium of exchange. It is your most precious asset.

Only because you are able to work and use your *Time* productively are there dollar signs on your clock today. Why not insure your *Time* and keep them there?

If you owned a building from which you derived your sole support, you wouldn't be without adequate Fire Insurance, would you?

Your income, derived from the sale of your *Time*, should be insured no less than your property.



Take out an AETNA ACCIDENT POLICY *now*. Insure the capital represented by your *Time*. Provide a regular weekly income, if accident prevents you from working. Create an estate to provide an income for your dependents.

All this and much more can be accomplished for a comparatively small investment by carrying an Aetna Accident Policy adequate to your needs and resources.

-----Mail this Coupon-----

AETNA LIFE INSURANCE COMPANY AND AFFILIATED COMPANIES, Hartford, Conn.

Please send me more information on Aetna Accident Insurance.

Name _____ Street _____

Town _____ State _____

"N.B."

When writing to AETNA LIFE INSURANCE COMPANY AND AFFILIATED COMPANIES please mention *Nation's Business*

man W. A. Ayers of the 8th District, Kansas.

7. O. R. Roenius, American Carbonic Machinery Company, Wisconsin Rapids, Wisconsin, told Rotarians that *NATION'S BUSINESS* is at the "head of business magazines."

8. Theo. R. Zack, Central Scientific Company, Chicago, who accompanies his renewal with his hope that *NATION'S BUSINESS* will still be in business when his subscription expires, so he may continue to read it.

9. "It isn't necessary to turn to the back of the magazine to find the end of a story."

—Elbert E. Ginn, Owl Drug Company, Berkeley, California.

10. "A growing circulation here should be most helpful in advertising American goods and services."—Hugh D. Butler, Assistant Commercial Attaché, U. S. Department of Commerce, London, England.

ADD NEW Competition, or Community Advertising or what you will:

Iowa editors will spend \$50,000 this year to tell the East that there is a lot of money in Iowa even though the McNary-Haugen bill was vetoed.

Fifteen editors of leading daily newspapers have raised the sum to inform manufacturers that Iowa is one of the greatest potential markets in America and that it has the cash to lay down for all it buys. The editors declare that politicians have spread propaganda that the state is bankrupt but that their advertising sheets show more money has been spent by merchants in advertising in the past year than in any previous similar period.

FORMER Assistant Secretary of the Interior Alexander Vogelsang writes:

I have just been reading your "Business, the Soul of America?" Is there not in our lingo some better expression than "making money," "money making"? Money making is a governmental function, and business (?) men who make money go to the pen as counterfeiters.

Why do we say Jones is "worth a million"? He may own a million, and yet be worth not a copper cent to society, nor to civilization. We meet such men every day. Your journal of light and leading ought to assist in the removal of some of these ancient, absurd idioms.

Perhaps the correction indicated could be accomplished through overhauling our ideas of "value." The first requirement is to avoid the sort of thinking which mistakes dollar marks for the substance of things.

A CHICAGO visitor suggests that one reason why government grows and grows is because we blithely endorse new and increased activities without realizing that we are paying for everything we get and, in the case of government, often two prices, or more.

He had just returned from a drive over Washington showing his wife (her first visit) the sights.

An old dorky, who was driver and guide, pointed out the imposing government buildings, the spacious parks, the flower gardens, the playgrounds, and commented thus on each:

"Ain't it wonnerful! All dis yere for the people. And it don't cost nobody nuthin'! You see, the gov'ment pays for it."

M.T.

NATION'S BUSINESS

Vol. XV, No. 5

A Magazine for Business Men

May, 1927

The Courage of Imagination

BY MERLE THORPE

AS THE Colonial Express thundered over East River the other day, I marvelled at the engineering skill of Hell Gate Bridge with its 1000-foot span, its arch 300 feet above water, its half-million cubic yards of concrete, its carrying capacity of 75,000 pounds to the linear foot.

Yet the marvel lies not in this. The amazing thing is that the structure, complete in every detail, was first erected in the mind of a man before a shovel struck earth or a rivet left the forge.

How like a business, I thought! Dreams and plans! Hidden away from public sight thousands of men dream dreams and plan. Some materialize, some fail.

Imagination is the handmaiden of business. Cynics see only a tired business man seeking surcease from a drab routine on the golf course or the front row of the Follies. But while cynics talk, the business man is living a far grander romance than any depicted in song or story. And he has something besides imagination, which his critics seldom appreciate.

Consider him as he sits at his desk and dreams. He sees a new building under construction. He sees the installation of machinery, the assembling of labor, skilled and unskilled. From the four corners of the earth, by mule-back and rail and steam and truck, he gathers his raw material. He hears the whirring of the dynamos, the whining of the lathes. In his mind's eye, he watches the fabrication of his new product. He searches and discovers new markets, evolves a distribution system. Above all he dreams of its financing. And because he has the courage of his imagination, lo! it comes to pass.

What hazards the business pioneer faces and with eyes open! He realizes that three out of four undertakings fail. Yet he casts the die. He risks all—fortune, energy, leisure—with a

fine courage. In other days he would have been a Peter the Great, a Richard of the Lion Heart, a Martin Luther, a Napoleon. The present-day heroics are the heroics of business.

My newspaper this morning carries on its first page with striking headlines the news that a certain company's stock reached the highest point in its history. Away over in the back is a four-line item that another company, an important unit in the same industry, has passed its annual dividend.

What a dramatic picture of American business in those two items! Within every industry, coal and steel, agriculture and machine-tool, banking and retailing, a mighty struggle goes on for success and supremacy.

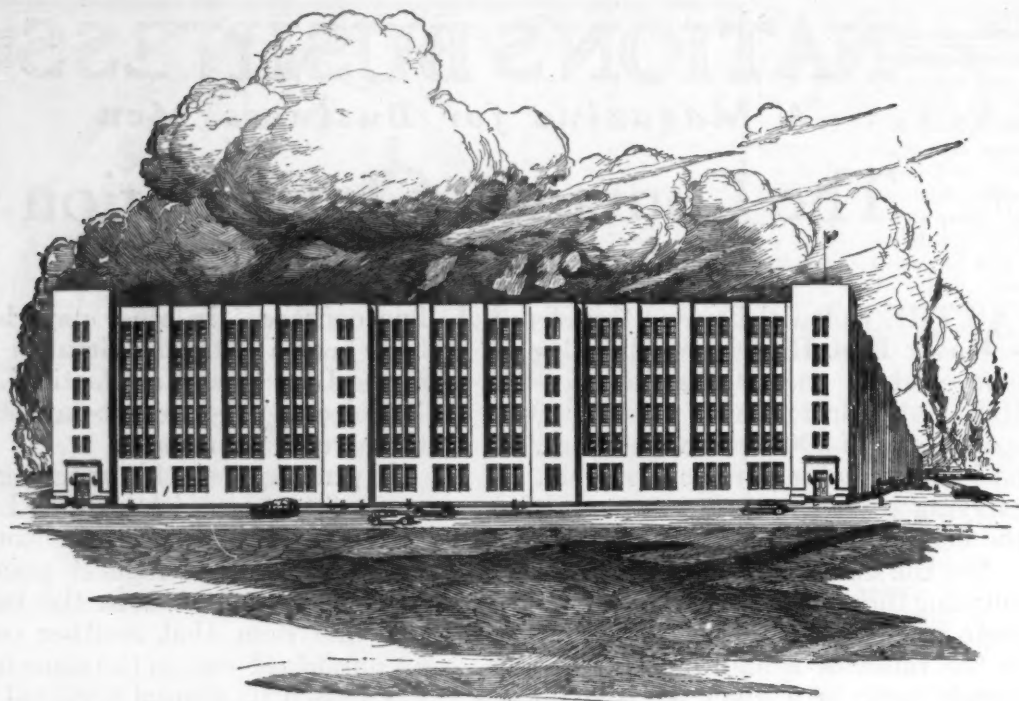
For each success, a dozen failures. Behind the curtain many an undertaking, created in high hope, buttressed with ideals, carried on with enthusiasm, goes down. Across the street, another wins out.

Luck? Hardly. An intangible something, often scarcely sensed by the actors themselves, may have turned the scale by a hair. A shade better judgment at a critical point, a shade better strategy in a minor engagement, a shade keener anticipation of the public's changing fancy, sounder financing or a flare for the dramatic—who can say?

We hear only of the big successes. The public acclaims or, in iconoclastic mood, slays.

But those who know what lies behind, the days of dreaming, nights of toiling, family and friends neglected, fortune hazarded, have respect and admiration for the courage of imagination in business, sympathy for the defeated, cheers for the successful.

For where, since the world began, has individualism—individual opportunity, individual reward for individual merit—come to finer flower than in America's industrial system?



Austin Takes the "Bugs" out of Building

DO you know that Austin *guarantees* the final cost of your building project in advance? This applies to large multi-story reinforced concrete buildings or single story steel frame structures, anywhere in the country.

Austin also *guarantees* time of completion,—with bonus and penalty clause if desired. Your project is finished weeks in advance of the time normally required. And Austin *guarantees* quality of materials and workmanship.

How is this possible? Because under the Austin Method of Undivided Responsibility every part of the work—design, construction, equipment—is handled by one capable organization.

This is the plan which gives Big Business the maximum value per dollar invested.

Let Austin tell you how your contemplated project can be built *complete* for your appropriated figure or less—and *guaranteed*.

Wire or phone the nearest office or mail the memo below

THE AUSTIN COMPANY, Engineers and Builders, Cleveland
 New York Cincinnati Chicago Detroit Pittsburgh Philadelphia St. Louis Seattle Portland Miami
 The Austin Company of Texas: Dallas The Austin Company of California: Los Angeles and San Francisco

AUSTIN

Complete Building Service

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The Changing MAP of INDUSTRY

SIT DOWN and in your mind's eye try to picture an industrial map of the United States. What do you get? Shoes and textiles in New England, automobiles in Michigan, iron and steel around Pittsburgh, lumber in the northwest, meat packing in Chicago. Slowly other spots would place themselves, cameras and ready-made clothing in Rochester, hats in Danbury, rubber tires in Akron, furniture in Grand Rapids.

But much of that map would be wrong. Some of it was right 25 years ago and changed soon after that, some has changed in the last two or three years. The map of American industry can't be framed and hung on a wall. It's more, perhaps, like a moving picture than a map, for it is moving rapidly in some industries, slowly in others, and in some isolated instances standing practically still.

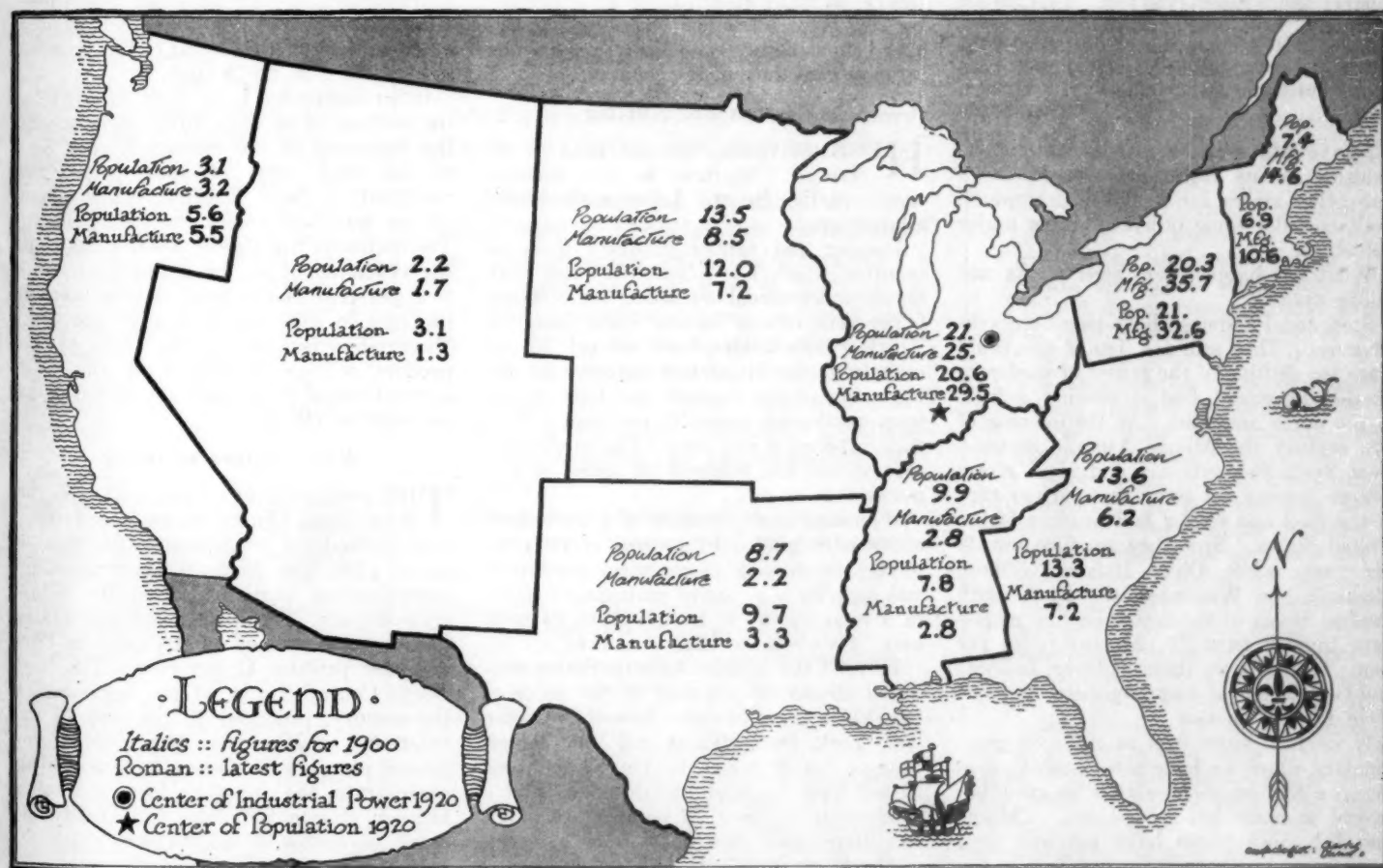
By **IRVING S. PAULL**

Former Chief, Division of Domestic Commerce, United States Department of Commerce

We know with some accuracy how our population has moved. From a point thirty miles east of Baltimore in 1790 its center has moved in 130 years to a point in southwestern Indiana. This line is fairly due west.

There are no corresponding figures for the industrial center, yet an available estimate is that made by the Geographical Survey about the time of the 1920 census, which put the center of use of industrial power at Findlay or Worchester, Ohio. This center of gravity of industry has probably moved west more slowly than has population and has probably always kept to the north of it.

In this mental map of American industry, most of us put eighty per cent or so of the automobiles in and around Detroit. Yet on the authority of the 1925 Census of Manufactures, Michigan produced but 36 per cent of the auto-



Percentages of Population and Manufacturing Value for 1900 and 1923

This map shows for the major divisions of the United States, the shift in manufacture in relation to population for the last quarter century.

At the beginning of the century, New England had 7.4 per cent of the population and produced nearly 15 per cent in value of our manufactures. The last figures show that the six states have 6.9 per cent of the population and make 10.6 per cent of the manufactures. The Middle Atlantic States, New York, Pennsylvania and New Jersey, have a slightly larger percentage of population

than in 1900 but do not make so great a part of our manufacture.

The great growth in manufacture has come in the East North Central States, Ohio, Indiana, Illinois, Michigan and Wisconsin. The automobile industry is undoubtedly one of the factors that help to explain this.

"Westward the course of Empire takes its way," wrote Bishop Berkeley two centuries ago.

Westward the course of industry takes its way—but slowly.

mobiles of the country! This figure must be read in light of the fact that the Census measures automobiles by units of finished product and the assembly of cars is carried on in many places. More than thirty states, in fact, report the manufacture and assembly of cars.

The Ford Company alone employs approximately 26,000 men in branch factories and assembling plants in 32 cities at strategic distributing points. It is becoming the policy of the automobile industry to convert raw materials as close to their source as possible and to construct as near to market as can be done efficiently.

Michigan and Furniture

GRAND RAPIDS is the first name that comes to many of us when furniture is suggested, yet Michigan is not our leading state in the manufacture of furniture. New York is and for a long time has been. The Census of Manufactures for 1923 listed our ten leading manufactures measured by value of product in this order:

Industry	Wholesale Value
Motor Vehicles.....	\$3,163,327,874
Steel Works and Rolling Mills.	3,154,324,671
Slaughtering and Meat Packing	2,585,803,888
Foundry and Machine Shop	
Products	2,337,807,997
Cotton Goods	1,901,125,703
Petroleum Refining.....	1,793,700,087
Lumber and Timber Products.	1,494,259,321
Electrical Machinery, Appli-	
cances, and Supplies.....	1,293,001,751
Printing and Publishing.....	1,268,501,566
Bread and Other Bakery Prod-	
ucts	1,122,834,099

I have said something of the automobile industry, of its radiation from Michigan into other states for its finished product. Let's consider some others of these major industries.

What has happened to steel works and rolling mills?

Steel and Pittsburgh have long been synonymous. They still are, but if one could trace the shifting of the center of steel production he would find it moving a little to the north and west. At the opening of this century the Middle Atlantic States—New York, Pennsylvania and New Jersey—were turning out more than 60 per cent of the steel and rolling mill product of the United States. Now they produce but 48 per cent, while Ohio, Indiana, Illinois, Michigan and Wisconsin—the East North Central States of the accompanying map—have jumped from 31 per cent to 40 per cent. Instantly we think of Gary, Indiana, and Gary is one of many answers. Youngstown, Ohio, is another.

If we turn from steel to the next great industry which we have listed—meat packing—we find in a sense that as steel has moved in, meat has moved out. Chicago and her stock yards have not lost their supremacy, but here again has been a dispersion of an industry.

In 1899, the states that center around Chicago were producing 46 per cent of our fresh beef. Now they produce but 33 while the West North Central group which includes the Dakotas, Nebraska, Kansas, Minnesota, Iowa and Missouri have gone from 28 per cent to 33.

In some respects this has probably been



a movement towards the source of raw material. In some ways, also, it has been a part of a striving for industrial self-sufficiency on the part of the various divisions of the country.

When we come to cotton goods we see one of the most dramatic of these changes in our industrial geography. New England dominated the cotton spinning industry from its first beginnings until a few years ago. In 1899 that section produced 60 per cent of the total output of the cotton goods of the country. Now New England produces about 35 per cent while the cotton-growing states produce some sixty. In this case, as in many others, however, it has not been so much a case of New England lagging behind as of new industries springing up in new sections of the country.

Reasons For Shifting

HERE the reasons are not hard to determine. Nearness to raw material was a partial factor. Labor undoubtedly a larger one.

Lumber and timber products form an industry which has followed a plain path for an understandable reason. In 1899 only 6 per cent of our lumber came from the North Pacific States, now we get 30 per cent from the Northwest corner. At the beginning of the century the Lake States were producing some 25 per cent. Now they produce 6 per cent. The lumber industry, too, has followed its source of raw material.

If lumber is an instance of a movement of industry guided by sources of raw material, the making of electrical machinery and supplies is a case of an industry which to a large extent at least, follows its markets. Its westward shift is marked.

In 1909 the Middle Atlantic States produced almost 50 per cent of the value of the electrical machinery. Now these states, New York, Pennsylvania and New Jersey, produce but 38 per cent. During the same period New England has dropped from a production of about 20 per cent to about 16. Here again it is not proper to speak of the "migration" of industry. Rather is it a diffusion, a growth in new places.

There are industries which seem surprisingly stationary. Soap, which is an industry approaching \$300,000,000 in value of annual output, presents some unexpected changes. The production has grown greatly during the past fifteen years. In 1909 the per capita consumption of soap was about seventeen pounds per year and is now about

If this factory should move, what becomes of this army of workers? Do they follow the factory? What does the community do to fill the gap if they go, too?

22 pounds, including hard and soft soap and the various special soap products.

Nine per cent of the total value of soap production occurs in New England as compared with 6 per cent in 1909. The Middle Atlantic States were producing about 42 per cent of the total amount of soap in 1909 and now produce 35 per cent, while the East North Central now produce 28 per cent as compared with 36 per cent 15 years earlier. The Pacific Coast States produce almost 5 per cent of the total and other sections of the country are becoming self-sufficient in the matter.

Other industries have been affected by the shifting of manufacturing centers. At the beginning of the century 28 per cent of the total value of book paper was produced in New England, while about 12 per cent now comes from that source. The decline in the Middle Atlantic States in the development of the industry amounts to 1 per cent of the total, having been 28 per cent in 1899 and is now 27 per cent. Twenty-five per cent of the value of this product is now developed in the East North Central States as compared with 14 per cent in 1899.

What Leather Is Doing

THE production of tanned leather in the West North Central States gained 10 per cent of the total production in the past 25 years, while New England has retained its percentage of participation in the industry's output. The Middle Atlantic States produced 44 per cent of the value in 1899 and now produce 41 per cent. The East North Central States, at the beginning of the century, produced 19 per cent of the value and now produce 29 per cent. Improved processes of tanning have tended to concentrate the industry into a smaller number of establishments and greatly increase capacities of the industry.

In the country as a whole the great gain in manufacture has been in the East North Central States.

At the beginning of the century, New England produced 15 per cent of the total value of manufactures of the United States and employed 18 per cent of all the wage earners in the country. It now employs 14½ per cent of the wage earners and produces 11 per cent of the entire value of



industrial products. In 1899, 11 per cent of the factories were in New England. There are now 10 per cent in that section. Economically, New England is well off in that she has 11 per cent of the value of manufactures, as the product of 7 per cent of the population of the United States.

During the period that New England lost 4 per cent of the national market, the East North Central States—Ohio, Indiana, Illinois, Michigan and Wisconsin—gained 4 per cent of the total market and about 4 per cent of the total number of workers. In the same period the Middle Atlantic States—New York, New Jersey and Pennsylvania—lost 3 per cent of the national trade, and the West North Central States lost about 1 per cent.

Two things contribute measurably toward this revision of our industrial geography:

The desire of new centers of population to become industrially self-sufficient and to provide employment for men and money.

The effort of industry to locate in developing markets, either through the erection of new plants, or by the establishment of branch factories.

These tendencies are reflected in numerous basic industries and are well illustrated by the boot and shoe industry and the cotton goods industries. In 1899, New England produced approximately 60 per cent of the output of both of these industries, and now produces about 35 per cent of the output of each of them. The cotton-growing states produce nearly 60 per cent of the total output of cotton goods and the Middle Atlantic and East North Central States, with the addition of Missouri, produce almost 60 per cent of all the shoes manufactured.

The West North Central States, a group comprising Minnesota, Iowa, Missouri, the Dakotas, Nebraska and Kansas, possess 11 per cent of the total population. This group of states is a market area for the industrial centers in other territory, but it becomes gradually a more difficult market, because it is developing its own self-sufficiency. It now produces 7 per cent of the total value of manufactures of the United

States. The fact that this group of states is predominantly agricultural does not preclude its industrial development any more than a similar fact retarded the same type of development in the East North Central States a few decades ago.

THE cities struggle for new industries. The clamor for more factories goes up from every community. At the same time there goes on a slow but certain movement of some industries from their long-established centers. Is the pull of the cities in line with this movement or against it?

Are cities, when they seek a factory, trying to distort the natural flow of industry?

Would it not be advisable for any community to consider this normal current before undertaking to divert it?

The community may be in the line of the normal course of one industry and be trying to divert another out of its course. Should not aspiring cities take stock and discover their industrial aptitudes and thus take advantage of these currents tugging at the moorings of industry?

These are questions raised and in part answered in this article which traces some of the main movements which American manufactures have experienced in the last quarter century.

—The Editor

The Pacific Coast States—Washington, Oregon and California—possess about 5½ per cent of the total population and produce approximately that percentage of the total value of the industrial production of the United States. The accessibility of markets, materials, power and labor will call capital to any section, if it is not already there, for industrial development. Not only is that indicated on the Pacific Coast, but throughout the South.

Not all industries find it possible to follow markets. Some, like lumber, follow materials, but the constant struggle in

every section of the country seems to be toward an industrial self-sufficiency. We are making greater progress in that direction than we have realized and must revise our geography of industry now and make provision for keeping it current.

Further illustration would confirm the tendency toward industrial self-sufficiency in every section of the country. This tendency does not always mean a new location of industry. That is to say, a movement of established concerns from the older centers to the new industrial centers. It shows rather a constant expansion of industrial capacities through the creation of new establishments. Not only do the older establishments stay in their original locations, but new concerns start in the older industrial centers.

One result has been that the country is able, in many industries, to produce beyond its consumptive powers and that in many cases also a comparatively few factories are supplying the bulk of our needs.

Less than 17 per cent of the total number of shoe manufacturing establishments in the United States produce more than 67 per cent of the total value of the output of the industry. Of 1,606 shoe manufacturing establishments in 1923, nearly one-third of them produced but 2 per cent of the total value of the industry's production. By 1925 the total number of operating plants in the industry had been reduced to 1,460.

A Few Produce Most

EIGHT per cent of the total number of flour and grain mills produced approximately 75 per cent of the total value of flour in 1923. By 1925 the total number of mills had been reduced from 5,232 to 4,413, a decline of 819 mills in two years. Thirteen per cent of the soap manufacturing establishments produce approximately 83 per cent of the total value of the industry's output.

Another factor that alters our industrial map is a declining demand for certain products as new products from other sources either share their markets, or displace them entirely. With changes in women's dress habits came a decline in the use of knit underwear which resulted in a discontinuance of 35 knitting mills and left 12 mills idle, but during the period in which these 47 mills withdrew from the field, 37 new ones were established. During the period that 154 shoe factories discontinued and 26 remained idle, 58 new establishments came into existence. Similar examples can be found in the experience of a great number of industries.

The development of new industrial centers may have the effect of establishing new boundaries of distribution. This is a disputed statement, because the products of every industrial center have, in some measure, flowed into every community on the continent. In theory there is a free play

(Continued on page 60)

Mass Retailing Here—And to Stay

By E. A. FILENE

Decoration by A. E. Kromer

NEARLY three years ago I said in NATION'S BUSINESS that the chain of department stores was an inevitable development of the future; that distribution would solve some of its problems by mass buying and mass selling, as production had answered some of its problems by mass manufacturing.

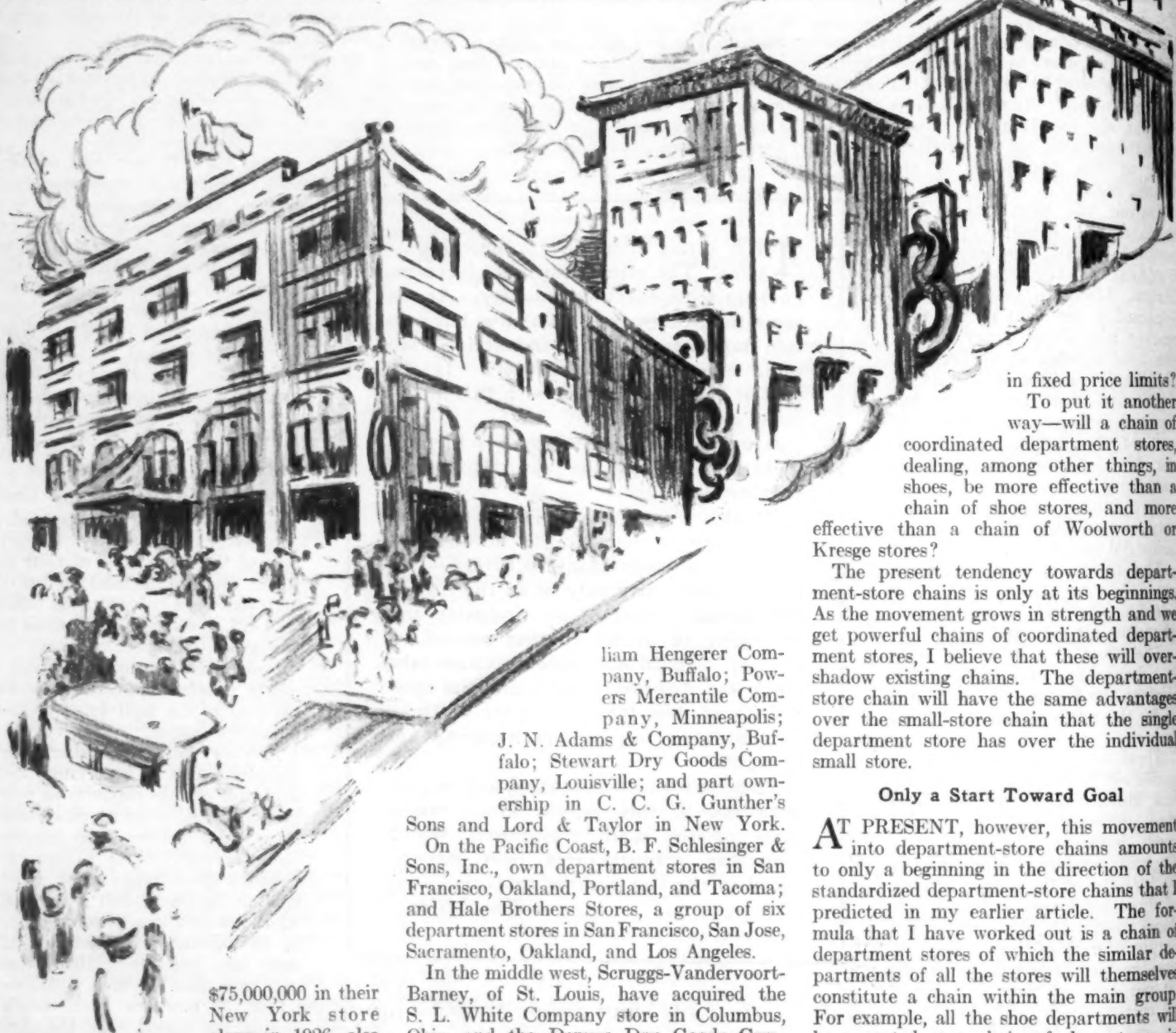
What I said then is coming to pass even more quickly than I expected. Here are some definite proofs:

R. H. Macy & Company, who sold over

The National Department Stores chain numbered fifteen stores in 1925.

The Associated Dry Goods Corporation owns the following department stores: James McCreery Company, New York; Hahne & Company, Newark; Stewart & Company, Baltimore; Wil-

If the chain of retail stores has threatened the very existence of the small retail stores, what will be the effect of these fully developed, coordinated chains of department stores on the existing department store, operating singly, and the existing chain dealing in a single article or in articles with-



in fixed price limits?

To put it another way—will a chain of

coordinated department stores, dealing, among other things, in shoes, be more effective than a chain of shoe stores, and more

effective than a chain of Woolworth or Kresge stores?

The present tendency towards department-store chains is only at its beginnings. As the movement grows in strength and we get powerful chains of coordinated department stores, I believe that these will overshadow existing chains. The department-store chain will have the same advantages over the small-store chain that the single department store has over the individual small store.

Only a Start Toward Goal

AT PRESENT, however, this movement into department-store chains amounts to only a beginning in the direction of the standardized department-store chains that I predicted in my earlier article. The formula that I have worked out is a chain of department stores of which the similar departments of all the stores will themselves constitute a chain within the main group. For example, all the shoe departments will be operated as a chain of shoe stores, in charge of a merchandise manager who in ability and experience will be at least equal to the merchandise manager of a separate chain of shoe stores.

There is no single department store or "single-line chain" that will be able in the long run to stand up against this class of organization. When this type of organization comes, it will be able to sell cheaper and buy in larger quantities; it will help the manufacturers to eliminate their waste and so to sell cheaper than their competi-

liam Hengerer Company, Buffalo; Powers Mercantile Company, Minneapolis;

J. N. Adams & Company, Buffalo; Stewart Dry Goods Company, Louisville; and part ownership in C. C. G. Gunther's

Sons and Lord & Taylor in New York.

On the Pacific Coast, B. F. Schlesinger & Sons, Inc., own department stores in San Francisco, Oakland, Portland, and Tacoma; and Hale Brothers Stores, a group of six department stores in San Francisco, San Jose, Sacramento, Oakland, and Los Angeles.

In the middle west, Scruggs-Vandervoort-Barney, of St. Louis, have acquired the S. L. White Company store in Columbus, Ohio, and the Denver Dry Goods Company in Denver.

Not Yet Complete Chains

AND IN the south the City Stores Company has taken over three large, well-known stores in Birmingham, New Orleans and Memphis.

As yet, it will be observed, these systems are mostly so many separate stores under single ownership. Only when there is central buying and coordination of operations can they be said to be chain-store systems.

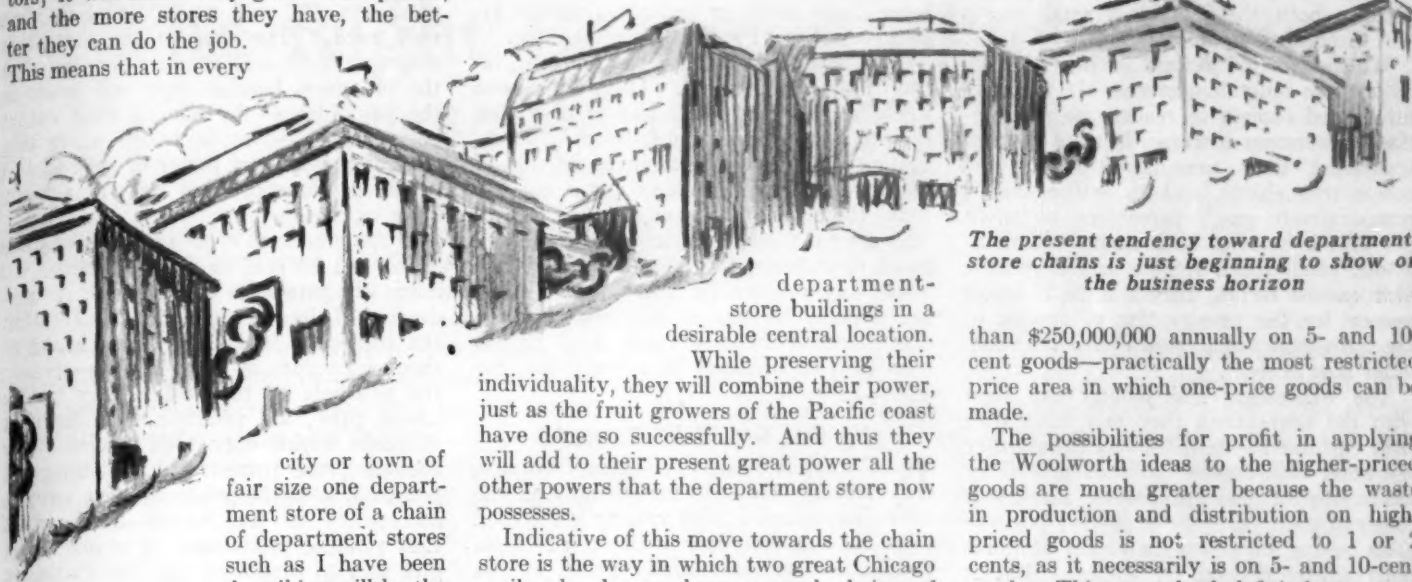
\$75,000,000 in their New York store alone in 1926, also own or control the

stores of Lasalle & Koch, Toledo, and Davison-Paxton-Stokes, Atlanta, and are acquiring substantial interests in other large stores.

The Macy Department Stores now number five.

Gimbel Brothers have great department stores in New York, Philadelphia and Milwaukee, and own or control the two large Saks stores in New York, and also the Kaufmann & Baer store of Pittsburgh.

tors; it will make very great total profits, and the more stores they have, the better they can do the job. This means that in every



department-store buildings in a desirable central location.

city or town of fair size one department store of a chain of department stores such as I have been describing will be the conquering distributor—although the individual small stores can get together and organize for their own preservation into chains of individually owned stores and do a relatively successful job.

Just imagine such a chain of department stores located in 100 cities and big towns. The total sales would easily run over \$1,000,000,000. One hundred shoe departments in 100 of the biggest cities and towns in the country would sell easily over \$50,000,000. And so on, in the other departments.

If these conclusions are sound, it means, of course, that the department-store chain will determine the fate not only of the individual department stores, but of the small individual retail stores also. Small retailers will bear in mind, of course, that the department store itself has no choice in the matter. Unless the department store meets the chain stores in the way I have indicated, it will likewise be put out of business.

Laughter? But It's True

THIS is a statement that will probably be challenged, or, perhaps, even laughed at; but calm study of the facts will show that it is true. Remember that there are already chains in upward of half a hundred lines of goods, or types of products, most of which the department stores are selling. Every time chains are formed of one of the lines of a department store, it affects the business of the department stores in a way that the small individual stores never have done. The small individual store pays so much more for its goods than the department store, even with its waste, can undersell it, besides, of course, offering the much greater choice of goods and other advantages.

But the chain stores can buy at least as cheaply as the department stores, perhaps more cheaply, and do business at less cost than the department store as at present organized. If the department-store owners should be blind to what is happening—which they are not, although rather slow to face it definitely—then the time will come in the near future when the chain stores—the non-competing chain stores—will themselves come together and occupy

While preserving their individuality, they will combine their power, just as the fruit growers of the Pacific coast have done so successfully. And thus they will add to their present great power all the other powers that the department store now possesses.

Indicative of this move towards the chain store is the way in which two great Chicago mail-order houses have opened chains of retail stores. Sears, Roebuck & Company have stores in Chicago, Philadelphia, Kansas City, Dallas, Seattle, Evansville, and Marysville, Kansas. They have recently started another large unit in Memphis, Tennessee. Montgomery Ward & Company have units in Chicago, Kansas City, Portland, Oregon; St. Paul; Oakland, California; Fort Worth and Baltimore. According to reports, their sales are greatly exceeding all expectations.

Retail to Pass Mail Order

I KNOW of the difficulties that the mail-order houses are having at this, the experimental stage, of their retail-store chains; but I want to go on record now with the prediction that within ten years the leading mail-order houses, such as Sears, Roebuck & Company and Montgomery Ward & Company, will be doing more business through these retail stores than they are doing by mail order now, and in addition will be doing more mail-order business also than they are doing at present.

This is not difficult to understand because, as they develop their retail department stores, they will be able to fill more definitely and satisfactorily the mail-order needs of the territory where each department store is, because of their closer touch with those outside areas.

I must go one step further in presenting the array of our competitors. In addition to the competitive agencies already described, there are being created many stores that sell only at one price or at a limited range of prices. Most people are by now familiar with single-price stores, which have become numerous in various lines of goods, particularly in large cities.

The Vital Power to Undersell

WHILE this movement is in its infancy, it has very great possibilities—very great probabilities—and will, of course, carry with it still greater power of underselling the individual stores on the most wanted lines of goods.

Not only is there a definite beginning, a very successful beginning, of one-price stores, such as the Thom McAn \$4 shoe shops and others; but as is well known, Woolworth is doing a business of more

The present tendency toward department-store chains is just beginning to show on the business horizon

than \$250,000,000 annually on 5- and 10-cent goods—practically the most restricted price area in which one-price goods can be made.

The possibilities for profit in applying the Woolworth ideas to the higher-priced goods are much greater because the waste in production and distribution on high-priced goods is not restricted to 1 or 2 cents, as it necessarily is on 5- and 10-cent goods. This must lead definitely to more chains of one-price stores.

Where Will Wholesalers Go?

WHAT will happen to the wholesaler and the middleman as this movement towards chains grows and grows greater? Already we are seeing signs of what is happening and what will continue to happen unless the wholesaler reads the handwriting on the wall and changes his methods of doing business.

Nearly all of these new forms of retail distribution buy in enormous quantities from the producer direct, and as a result, the wholesalers and other intermediaries have been encountering difficult times. We know, for instance, what is happening to the grocery wholesalers. We know, also, that two great dry goods jobbing houses, one in Chicago and one in New York, which formerly were successful, have lately gone out of business.

Some Distributors Produce

SOME of the new forms of distribution are even producing for themselves. Personally, while this is theoretically advisable, I doubt whether it is practically the best plan at present or for the next ten years at least. The first objection is that their field for distribution is so enormous as to require all their attention.

With proper organization, with proper co-operation between themselves and the producers, they can leave this entirely different field of production to the men especially adapted to it—provided, of course, that these men are far-sighted enough to understand what is happening and do not stick their heads in the sand, as some are doing, by refusing to sell to these new types of customers.

But the wholesaler, jobber and other intermediaries can save themselves and enter into bigger prosperity than they have ever had, provided they open-mindedly accept the facts of what is happening and reorganize themselves to meet it.

It is my idea, as I have previously declared elsewhere, that they can become centers of chains comprised of their old customers; and if they do this in a big, far-sighted way, they will help the individual retail stores in applying remedies which

I am going to describe, which will greatly prosper both the individual retail stores and the central middleman.

Wholesalers and jobbers are now in touch with these individual stores. If they are far-sighted enough to realize the possibilities of enormous increases in sales through organizing their present customers and others into chains, and to realize that a comparatively small percentage of profit per unit of sales to such chains will make a total profit much greater than they have ever earned before, they will be a better agency for the preservation of success of the individual small retail stores than any other now in sight.

The wholesalers and jobbers can start with the connections they now have with their customers—the individual stores; they can start with their established machinery for buying for many stores—the machinery that can most easily be expanded into the mass buying, on which the chains of stores must chiefly depend for success. But it must be done in a big, far-sighted way. The idea of service to the individual stores whom they are going to help combine is basic. This leads directly to a consideration of the saving remedies for the individual stores.

The small stores must unite for their own advantage, to secure the advantages of the competing chain stores. They can do this by forming chains themselves, retaining their individual ownership by uniting so effectively that they will get all those advantages of mass group buying. By so uniting they can gain all the advantages of making common property among them the best business experience and knowledge in the world, such as the chains now have in an important degree.

Organizing on such a basis is a difficult thing for individualistic private store owners to do, but they will do it if they see they have no other choice.

I may point out, however, that a weak organization will not do. It must be fully as efficient as the centrally owned chain-store organization. If it is made so, it will compete with the chain stores effectively. It should really be the more effective, because individual ownership, added to centralized organization, will bring to the individual stores some advantages that the small chain unit does not possess, and probably cannot have fully—that is, the personal interest of the individual owner. Individual ownership gives the direct interest of a proprietor in each store, which means, among other things, more intimate personal acquaintance with many of his customers.

What of the Producers?

FINALLY, a third and important group has a place in the picture, and the natural inquiry is: What about the producers?

The producer, of course, like the retailer and the wholesaler, is faced by the chain stores as a reality which he cannot escape. If he is not ready to accept the chain stores unreservedly, he would better organize to sell, say one-third or one-half of his product to chains and sell the rest of it where chains are not yet functioning.

Gradually out of this experience he will know what he wants to do in the future.

He will probably conclude to specialize in some single article or limited number of articles—that is, "Fordize" his production.

Production and distribution, however, require different qualities. There have been many attempts of producers to distribute directly, which have been failures. No dogmatic statement can be made about this, of course; but while formerly I did not believe there was any well-founded reason why a good producer should not be a good retail distributor, the facts have made me revise my opinion on this point. There are certain things, as we know, where the producer must or may best be his own distributor, such as automobiles, for example.

No One Can Make Them All

BUT when it comes to clothing, furniture, crockery, food—in fact, almost all the necessities where a wide variety is required—no one manufacturer in this era of mass production can successfully make, at the lowest prices and the best values, the many things required.

In these lines the way out for the producer is to experiment.

The right way certainly is not to shut his eyes to what is happening and refuse to sell the chains, because by so doing he simply forces the chains either to manufac-

ture for themselves or else to back new producers who will make for them what they need. The chances are that these new producers will produce for less than the old ones, because they will locate in the best places—the sale of their output being assured—that is, locate where they can get cheap water power or get coal at a minimum transportation cost, or a better labor market.

If the producers of all the kinds of goods which can be sold in mass quantities will adopt the principles that underlie the production of the Chevrolet car, the Ford car, the Kingsport books, the Thom McAn \$4 shoe and numerous other articles—namely, the principle of the best quality for the lowest price, the principle that the right to profit begins only with service to the customer, the principle that nothing but practical, scientific production can compete successfully in the future—which means that running production by opinion must give way to producing and distributing on the basis of fact, scientifically ascertained—then they will also greatly increase the size of their business and their profits. Still they must realize that big advertising that tells the truth, that helps the customer to choose wisely, is not uneconomic, is not a waste, but is a real service to the progress of the world.

Raising Money in the Senate

TIS TEARFULLY touching, this true "touching" tale.

It is the real inside story of how Senator James Couzens of Michigan, who carried Henry Ford's check for \$33,000,000 around in his pocket for days without cashing it, tried to panhandle a lunch from Senator William E. Borah of Idaho, one of the poorest men in the Senate, but gave it up and touched him for the loan of a dollar when he found the Westerner was only going to eat a sack of peanuts for his noon-day meal.

Of course, the fact has been printed of Borah lending Couzens a dollar, but just how it happened has remained a secret. The truth is that Couzens and his family had been to their home in Detroit for a visit. When the multi-millionaire awakened on the train shortly before it reached Washington, he decided to put on a different suit from that he had worn the day before, but neglected to shift his money.

At the station the Couzens family was met by its chauffeur, but the Senator told his wife and daughter to take the car, because he wanted to walk to the Senate office building a quarter of a mile away.

During recesses of Congress, the Senators' restaurant in the Capitol is closed, so Couzens decided to walk back to the station for lunch. As he neared that building, he discovered that he did not have a cent in his pocket.

Any place but a railroad eating house undoubtedly would have given him a meal if he had revealed his identity, but the Senator felt sure that if he told the manager of the restaurant that he was Senator Couzens of Michigan that haughty dignity undoubtedly would have replied:

"Yes, the last fellow who got a free meal off me said he was King George."

So the Michigan man decided the only safe thing to do was to retrace his steps. As he was about to enter the white marble Senate office building, Senator Borah emerged.

"Going to lunch?" asked Couzens hopefully of his prospective meal ticket.

"No; I'm not eating lunch today; I'm just going across the street to get a sack of peanuts," replied Borah.

"Say, Bill, I left my pocketbook in my other suit. Will you loan me some money?"

"That's an old story, Jim. The truth is you're broke."

Borah fished in his pocket and brought out two bedraggled one-dollar bills.

Couzens took one of them, and the Idahoan said, "This is the proudest day of my life." The Michigan Senator started for the station again, but on the way there realized that a dollar was a mighty little bit to cover the price of a meal and the palm of a waiter, so he decided to play safe and mounted a high stool at the lunch counter.

He felt sure none of his friends would see him there. He had hardly placed his order when he felt a clap on the back, and one of his rich friends from Detroit shouted in his ear:

"Hello, Couzens! What are you doing eating here?"

Maybe the Michigan Senator won't mind his predicament so much if he knows that Mark Hanna got on a Washington street car one day and had to borrow a nickel from the conductor to pay his fare, and that Sir Thomas Lipton never carries any money with him.

The Right Bower of Management

By RAYMOND C. WILLOUGHBY

Cartoons by Stuart Hay

THE CONSUMMATION devoutly wished by every business executive is a daily picture of his business that will enable him more intelligently to direct operations in every department.

One business man put it this way: "I have my business so at my finger tips that I can sit in my office and look into the innermost operations of all departments as if there were plate glass partitions." This is necessary if a man is to direct his business as a captain directs his football team. Now, far-sighted executives are demanding—and getting—plate-glass windows through which they can observe the operations of their entire industry. This gives added zest to the job because it allows an executive to deploy his unit in the great strategy of today's production and selling. The glass window is figurative. But executives are getting this vital information through the proper use of figures. Note the word "proper." Many business men are impatient of the use of statistics because of a plethora of heterogeneous figures. The writer here tells of the proper use of statistics.

—The Editor

IT IS an axiom of gamblers that "you cannot win where you cannot lose." If it were otherwise, men who broke the bank at Monte Carlo or made big killings on the races would not have died penniless, nor would the mortality rate of business be so high. No one knows just how many plungers go broke when their hunches don't pan out, but the records of commercial failures in the United States are easily accessible and their significance is unmistakable. These death notices of once flourishing firms reveal to the probing eye the tremendous toll of guessing wrong.

It is as true today as it ever was that where there is no risk there is no gain, though it is just as reasonable to believe that a considerable number, perhaps all, of the 21,773 insolvencies reported for 1926, a ratio of 100.9 to each 10,000 firms, could have been prevented if the managers had had better information on which to base their decisions.

Many of the bad guesses men make live after them in bankruptcy proceedings; the good are oft interred with the "bones" they pull. That marvelous sixth sense known as business judgment, so admirable when it wins, gets no cheers when it fails. Those hearty kicks business men bestow upon themselves for taking losing chances should all remind other business men they can make their own business past and business present guess-proof.

Improvement of information for the guidance of business gets down to the need for figures, more and better figures—figures that at any time would tell each manager the financial state of his business; figures that would show him at a glance whether he is making money or losing money; figures that would keep him currently informed on his selling costs; figures that would reveal at once his operating costs, his overhead charges, the state of collections, new orders, production,

and cancellations. They would fortify his judgment of the future, for the matters of chance and probability can be reckoned only on past performances and positions in the present.

As facts told in figures free the individual man from doubt, so do they emancipate the group; as they enlighten one business so can they inform an association of businesses. No erudite display of logic is needed to establish belief that the only sound business is the planned business. It was Henry Bruère, vice-president of the Metropolitan Life Insurance Company, who said:

The successful business of today is the business that plans. Bonanza methods are obsolete. A planned business must be managed with consideration of all the factors of competition and inter-play of other business activity on the market in which operations are carried on. A planned business must be aware of the need to learn from the experience of others how to improve its methods. A planned business takes into consideration the benefits to be derived from cooperation with others in the same line of activity

"Business men are learning that the practical cure for many social and industrial ills rests on the availability of accurate information"



through trade associations. A planned business is a business that has windows to look out upon its world, and through which the world may look in return.

That compact glorification of the gospel

of planning is another testimonial to the sovereign business virtues of knowing the facts. It is a commentary to freshen realization that this age, above all others, has exalted fact-finding and fact-use. The statistician, the cost accountant, the efficiency engineer are mighty men, for they speak with the authority of truth. Because the speech of these oracles has not yet been denatured of the mystery of temple terms, they have not always been understood by the laity.

The very name "statistics" is formidable and rough-cornered, and its litany is no less so when read by the high priests. The delight of academicians in unraveling the theoretical threads of the higher calculus is not likely to be shared by the ordinary man who wants a statistical control of his business. It would be as reasonable to expect the quarry worker in quest of a crowbar to be captivated with a professorial treatise on the laws of physics.

To Make Statistics Practical

TO TAKE statistical science out of the text-books and to simplify its principles in behalf of a broader field of practical application is the timely job to which a considerable number of first-rate minds are now directed. Among the most vigorous evangelists of this cause is Ernest DeBrul, general manager of the National Machine Tool Builders' Association. With illuminating precept and phrase he has labored for the "humanizing" of statistics. To a convention of statisticians he declared that:

Using terms like quinquennial means, instead of five-year averages, is pedantic hocus-pocus that serves only to kill interest. Writing statistical articles in such terms makes them hard to read, and therefore prevents the promotion of the science. It may be treason to pedantry, but it is not treason to science to use simple language wherever it will properly express a thought.

In those sentences is a suggestive explanation of the inertia that must be overcome if statistical science is to serve more business men, not because they are blind to the promised benefits, but because they balk at the labels put on the various parts of the mathematical mechanism. All business men want more business, and probably all of them have other desires in com-

mon—to control expenses, to gauge the productive efficiency of their plants and offices, to get a better understanding of labor management, to anticipate the need for new equipment, to know what articles should be manufactured and when, to have a better line on industrial processes, to keep tabs on the buyers, to come out ahead on the job—but not all of those wistful business men know that the installation of a cost system would be the most practicable means of making all those wishes come true. The freer from frills the accounting and statistical method the better, for, to borrow another crisp text from Mr. DeBrul:

Through good presentation of statistical facts, statisticians can and should give business men true pictures of conditions. Statisticians can and should show the causes and effects of these conditions in plain, understandable language and charts. Then business men will come to see the wisdom of producing more and better data, and will be quick instead of slow to use statistical information as a guide to good business policy. When he really sells just such simple crowbars to business, the true worth of the competent businesslike statistician will be recognized and properly rewarded.

Increased Business Stability

IMPORTANT in accelerating the movement for the wider acceptance of statistical information by the business community are the United States Department of Commerce and the Chamber of Commerce of the United States. A measure of the progress made is provided in Secretary Hoover's report for the year 1926. When considering the increased business stability through the reduction of booms and slumps, he writes:

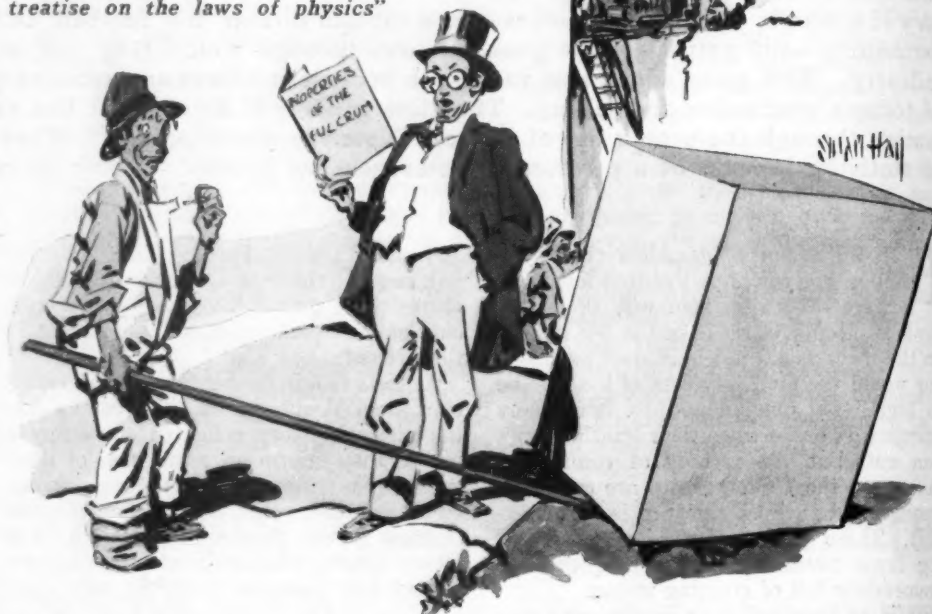
The Department has steadily enlarged its services of business statistics during the past five years. To this has been added a large increase in the statistical services of trade associations and our various economic and educational institutions. Certain fundamental information can be collected only through government agencies, but the policy of the Department has been to encourage private and institutional action in every field where their success is possible. The enlarged publication of all these data in the public press, the steady increase in subscribers to the departmental publications and those of other institutions are an indication of the growing application of these services to the every-day course of business. In five years the Department has expanded the number of items of current business statistics in important lines of commercial and industrial activity which it supplies to the public from 200 to more than 1,500. During the last fiscal year 189 new items were added covering 38 commodities.

We are rapidly approaching the time when a business man will be able to determine the exact position of his industry in relation to production, stocks, orders, sales, conditions of sources of supplies, the consuming market, credit, business activity, and broad economic currents—both at home and abroad—which may influence the conduct of his particular occupation. The individual judgment has thus been greatly strengthened. Statistics are like weather reports in their relation to business conditions. They can be made to convey warnings of every incipient movement toward over-production or inflation so that individual action becomes a neutralizing force.

Cooperating in this useful work of pro-

viding warnings for the guidance of business men is the Chamber of Commerce of the United States. Through its Department of Manufacture it has counseled individual firms and trade associations on the value of adequate figure facts. It has contended with convincing reason that the peaks and valleys of supply and demand in commodity markets are due in no small

"It would be as reasonable to expect the quarry worker in quest of a crowbar to be captivated with a professorial treatise on the laws of physics"



degree to the lack of dependable figures to guide or influence judgment in the individual regulation of production and distribution. The costly consequences of guessing wrong in business are brought into sharp focus by the Department with bulletins, pointing out that individual errors in guessing on production, shipments, and on stocks in the aggregate often culminate in over-production and the stagnation of distribution. Unemployment and market demoralization are two expensive by-products of this confusion.

Statistical Deterrents

BUT all is not doubt and chance in business, for the Department of Manufacture reports that several important industries are now using statistical information for the control of their operations. Wider acceptance of statistical methods is delayed, the Department explains, by reason of the slow appreciation of the value of figures in business management, the deterring complexity of forms prescribed by statisticians overcome with academic zeal, and the vague fear that disclosures of individual operations will in some way play into the hands of competitors.

These obstacles are part and parcel of the problem of inertia encountered by all change and innovation. Solution of this problem, in great measure, will be determined by the resourcefulness of trade association executives, and the Department has offered to them its accumulated knowledge and experience. The task of the trade association, as defined by the Department, is:

First, to convince its members of the great

value of developing vital facts as to what is going on in the industry and the practical use which may be made of them in control and management. Second, since the Supreme Court has stamped with its approval the gathering and distribution of trade statistics as information, as a legal and legitimate activity for trade associations to engage in, associations should reconstruct where necessary their machinery and methods of developing and reporting facts of interest to those concerned.

It is also desirable, the Department believes, that these reports be standardized to the extent that they will be reasonably comparable with reports in allied lines.

These recommendations have passed from paper into the structures of many industries, and testimonials as to the value of their application are readily accessible in the files of the Department. In those files are informative appraisals of the value of the factual data collected and exchanged by representative groups of industries.

Value of Data Proven

THE president of a large hardwood concern writes: "Trade statistics gathered by our association are decidedly helpful in the operation of our business. In fact, they are a necessity."

From the secretary of a paving-brick company comes this tribute: "The statistical reports gotten out by our association contain wonderful information for us in several ways."

A producer of paper boxes reports that "Trade statistics have been of considerable help to us in checking our progress, as compared with the industry at large and in helping us to save money in purchases."

Positive is the comment of the president of a zinc-producing company that "There is no doubt whatever that statistical information showing an industry's status in the matter of production, stocks, shipments, etc., are of great value in the intelligent direction of any industry or an individual member of such an industry."

Similar commendations have been received from men who shape the policies of other industries—men who have eliminated guesswork and who now base their judgments on facts, men who have taken the initiative in making possible the development of statistical information for the benefit of business. These testimonials suggest

that business has made a beginning toward the coordination and consolidation of its records for use in charting its future course. They suggest that business is "substituting intentions for opportunism in management."

Control by Accurate Facts

THEY suggest that business men are learning that the practical cure for many social and industrial ills rests on the availability of accurate information, and in getting that information into use as the basis for managerial policy.

Desirable as figure-fact control of business may be, it will not be generally established until the statistical tools are better

adapted to the needs of the ultimate users—until the statisticians decide to give men "the plain, simple crowbar statistics that business ought to produce and use."

By that decision statistical science would be transformed from a cult into a convenience. Then business could clarify its purposes with the enlightening leaven of facts; it could set its goals with full knowledge of its strength and its weakness; it could coordinate its efforts; it could make itself sensitive and adaptable to changes in the national and the international economic structure; and it could give compelling confirmation to Carlyle's belief that "what a man kens he cans."

Fighting Fires in Bygone Days

DR. NICHOLAS BARBON, son of Praise-God Barebones of Cromwellian fame, opened in 1667 what was probably the first fire insurance office in England. The Medieval Guilds had reimbursed their members for losses by fire but their payments had been made from the

By ROBERT L. BARNES

sure the houses of its citizens at a rate lower than that charged by the Fire Office. The Common Council passed the proposal but the courts put a speedy end to this movement of government in business.

Inspired by the success of the Fire Office a mutual company, called the Friendly Society, was organized in 1684. In an attempt to stifle competition the Fire Office asked the King for a patent of monopoly on writing insurance. With a delay worthy of the best modern practice the government handed down its decision in 1687 giving the Friendly Society a monopoly for a year but after that time they could only sell policies alternate quarters of the year. The Fire Office had hard sledding and in 1693 had to become a mutual.

These offices maintained fire fighting forces giving the men uniforms and silver badges. Just exactly what fire quenching equipment these early companies had is not clear but it must have been comparatively primitive for we find in an English publication of 1634 an only too meagre description of the equipment used then. To one accustomed to the modern engines and trucks, this description conjures up pictures of pitifully inadequate methods when one reads of: "Divers quirts and petty engines to be drawn upon wheels from place to place for to quench fier among buildings."

An even earlier mention of fire fighting equipment is that of Appolodorus, architect of the Emperor Trajan, in which he

writes of leathern bags to which were attached pipes, the water being forced out by squeezing the bags.

On May 11, 1752, in Philadelphia, was held the first directors' meeting of the first fire insurance company to do business in America. The company was and is "The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire." Among its board of directors was Benjamin Franklin who in 1736 had organized the Union Fire Company, a volunteer fire fighting organization.

There was no direct connection between the volunteer fire fighters and the insurance companies though the latter did contribute large amounts to the volunteers.

Firemarks, now in such demand as antiques, were then used on insured houses to distinguish them from those of the uninsured so as to make sure of protection. The mark of the Contributionship is directly traceable to the Hand-in-Hand Company of London which was established in 1696. The English company used two clasped hands. The design was changed by the Contributionship into the Lady-to-London or Saddle Seat grip which is practically unbreakable.

Description of dinners given, with fines col-

lected for non-attendance at directors' meetings, reveals these men as of Rabelaisian appetites and capacities. At one time by curbing their appetites due to an access of enthusiasm for the public welfare or an excess of food and drink they were able to acquire a fund large enough to mark the road to New York with thirty-one milestones.



Firemarks such as these indicated that a building was protected by a particular insurance company

Guild's general funds and were not based on any sound principle of insurance. An attempt to provide fire insurance was made by some citizens of London when they petitioned Charles I in 1635-38 for a patent of monopoly to insure against losses at the rate of one shilling for every twenty pounds of rent. The association was to rebuild or repair damaged houses, maintain a perpetual fire watch in the streets and contribute 200 pounds a year to the rebuilding of St. Paul's Cathedral. However, in subsequent disorders the proposal was lost sight of.

When Fire Protection Grew

IN SPITE of the fact that the Great Fire of 1666 had impressed people with the necessity for fire protection, Barbon met with but indifferent success until he combined with several other men in 1680 and formed the Fire Office. This company had figured out that an average of 750 houses had burned in the 14 years since the Great Fire with an average loss of £200. A fund of £40,000 had been subscribed as guaranty and this fund was to be increased £20,000 for every 10,000 houses insured. The interest from this fund alone might be expected to meet the losses and leave a surplus, so business grew rapidly. Within a year there was a proposal that the City of London in-



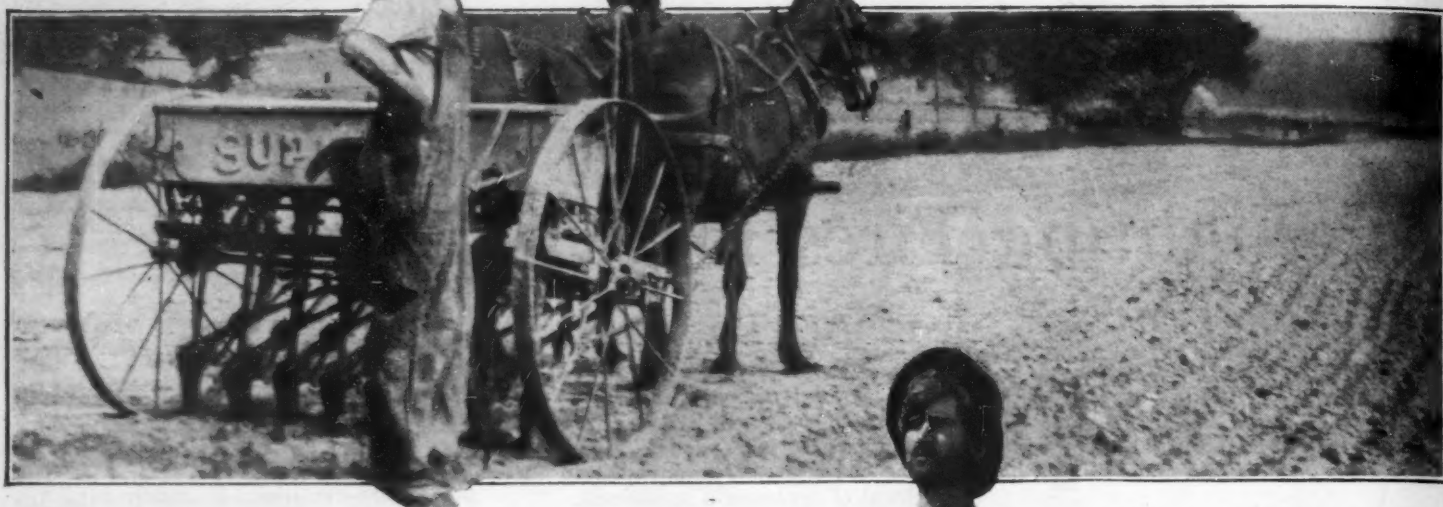
PHOTOS COURTESY PHILADELPHIA CONTRIBUTIONSHIP

The "Tout Ensemble" of the well-dressed firemen of pre-Revolutionary Days

Progress Rides in on Rubber Tires

By CHARLES PHELPS CUSHING

PHOTOGRAPHS BY
THE AUTHOR



Transportation, said Carlyle, is civilization. Here's a story from the Ozarks that proves it.

RAILWAY building in the United States has almost ceased, so far as new trunk lines are concerned. Extensions of old systems continue, and cut-offs are being constructed, but the railroads are not opening up much new territory.

The latest and most absorbing phase of our transportation development is a tremendous outpouring of capital into gasoline motor vehicles and into the construction of permanent highways.

Which comes first—whether good roads beget the motors, or the motors beget good roads—we may leave to those who can answer the old poser about the primogeniture of the hen and the egg. A more vital question at this moment is whether gasoline transportation, if given a suitable testing ground, can do for civilization anything comparable to what was accomplished by the old Iron Horse.

Where Theory Becomes Fact

SPREAD your map of the United States and search it for such a testing ground. Some section you should find which includes some counties not reached at all by railways, other counties where the railway touches only a corner or a border, and many into which the only rail service is a single short "Toonerville Trolley" or "Cornitassel Pilgrim."

To make conditions ideal there should be even in certain of the "railway counties" numerous communities which are practically off of the map because of almost impassable side roads. Then, suddenly, this once-isolated inland territory should be furnished, as if by the imperial mandate of a Louis XIV or a Czar, with a magnificent network of modern highways. Rather a "large order" to fulfill in

present-day United States, you may think. Where might you hope to discover such a section? And, having found it, how in a republic such as ours might you hope to get that sudden and miraculous bestowal of "king's highways"?

Yet such an ideal trial ground exists, and such a test of what gasoline transportation and good roads can do to open and remake a back-country section, which long has lagged in comparative isolation, is actually in progress at this moment. Almost at the center of your map will you find the section. Here, from amid the prairies, rises a region of big hills, long labeled in the geographies, the "Ozark Mountains."

The greater part of this highland area, fully half, spreads over most of

Improved farming methods came in with improved roads, and the "hill billy" gives way to the progressive tiller of the soil

southern Missouri. This part and an additional third which bristles in northwestern Arkansas concerns us here more than those smaller remainders which extend in spurs into the southern tip of Illinois and the upper right-hand

In remote Ozark regions modern motor cars work the same transformation that railroads once worked elsewhere. Below: A typical back-country trail and ford in the isolation days. On the next page (lower) is the same road and ford today



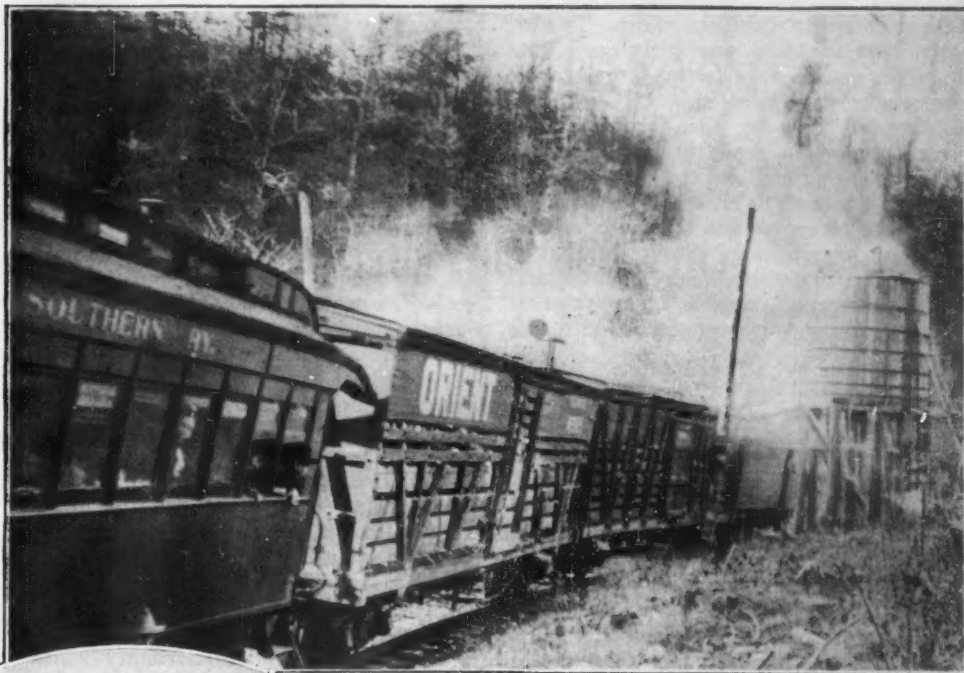
corner of Oklahoma. In all, the Ozark Highland is as big as the state of Ohio. It is the only extensive section long hampered by inaccessibility; and at the heart of it, in consequence, a distinct flavor of the backwoods lingered on, even well into the twentieth century.

The Ozarks—especially in Missouri and Arkansas—had lagged pathetically in development, meanwhile appearing all the more primitive, of course, by sharp contrast with the ultra-modernity of next-door neighbors. Progress was evident enough in strips along the trunk railway lines. But "back in the hills" struggled hundreds of communities not yet emerged from the primitiveness of their log-cabin days.

Transformations of Twenty Years

SO SHORT a while as fifteen to twenty years ago I roamed all over the more remote rural parts of the Ozarks, photographing both their scenic charms and their lingering primitiveness.

The beauty of the big hills and shining streams and the gigantic springs of the region fascinated me; and I admired no less the people—the "pure quill" American stock for many generations, most of them, descendants of the "hill country" first families of Virginia, the Carolinas, Kentucky and Tennessee; struggling gamely here against adverse fate, and all the while as good-humored and hospitable a people as any that ever breathed. As honest, too, and as intelligent!



Motorized rail transport saves the day for communities served by branch rail lines unprofitable to operate by steam



these backward conditions without camera evidence in proof. After that, it was easy for me as a photographer, no longer ago than a decade and a half, to find in the Ozarks such emblems of the primitive—nor have they all disappeared even yet—as old-time water-wheel grist mills, mule-back circuit riders with saddle-bags and current-driven ferryboats which were operated by windlass and cables. There were scores of horse- or mule-drawn mail stages, with their thick-tired hickory wheels set wide-gauge as an extra precaution against tipping over on the formidably rough roads. There were many hundreds of log-cabin homes—some of these mud-chinked and with newspapers serving for wall paper; and once in a while, even so late as 1910, I came across a barefooted, bearded, overalls-and-hick'ry-shirted, old-fashioned "hill billy."

Farmers Under Protest

A GOODLY number of the backwoods folk had never been thoroughly converted to farm life. So far as possible, many of them continued to draw much of their sustenance from fishing, hunting and trapping, and gathering whatever else "grew wild." Working a few cleared acres in the brush, planted chiefly to corn, potatoes and a little tobacco, constituted most of the farm labor for which they felt much inclination. For the rest, their cattle and chickens foraged for themselves and their fleet-footed razorback "haws" ranged half wild in the oak timber and hickory woods.

With their surplus of these hogs and with wagonloads of axe-hewed railway ties they drove at intervals to the nearest cross-roads general store and bartered for such necessities as they required from the outside world. Some of them did not handle so much as \$10 a year in "cash money."

In these remote backwoods there was

Nor were they, as the sequel shows, adverse to hard work if such labor "got them anywhere." All they really lacked was opportunity.

The situation found in the Ozarks interested me so much that it forced me to learn a new trade, photography. I found that I could not make "outsiders," even those living so close to the scene as Kansas City and St. Louis, believe the truth about



little incentive to ambitious effort. To eke out a bare existence was fairly easy, but to garner even a tiny fortune from a hill farm appeared almost impossible. Often handicapped both by the painfully hard hauls over rough roads and by a thin, rocky soil not suited to profitable general farming, it seemed an utterly hopeless task to attempt to compete in the city markets against neighbors who tilled rich, black prairie loam or bottom lands, and enjoyed the advantage of passable highways and cheaper railway transportation.

Those Who Lived Alone

WE ARE speaking now of the folk who dwelt back in the hills in isolation. Certain other Ozark sections, notably some in southwest Missouri and northeastern Arkansas were fortunate—or progressive—enough to have discovered early that their salvation as farmers lay in specialization. These more alert communities were steadily progressing even twenty years ago. But next-door neighbors, more remote from the railways and too impoverished to build decent roads, continued, down-hearted and listless, to keep marking time.

Then—only a few years ago—came that long-awaited opportunity. Today the old isolation of the inland hill dwellers from the rest of America is vanishing. The most remote sections are testing again, with a new type of "iron horse" which is cheaper and far more elastic than the old, the Carlyle dictum that "civilization is transportation." They are testing it thoroughly, and they are finding it true. Thousands of miles of modern good roads, all suddenly bestowed upon regions where in the normal course of events they should not have been expected to arrive for many more years, now are working miraculous changes.

Into the rugged third of this great central highland which bristles in northern Arkansas, highways built by direct district taxation—which, unfortunately, sometimes proved almost too burdensome for rural communities to bear—have been penetrating for half a dozen years. Happily, the weight of this direct tax now is being distributed; it's "one for all, and all for one" today, since a state road commission has taken over the job in Arkansas. At the same time the lack of cooperation between districts is ended, and highways are being driven from one end of the state to the other instead of being scattered around in little patches and big gaps.

No "Reckless Optimism" Here

A PHRASE Herbert Hoover once used felicitously, "reckless optimism," no longer describes Arkansas road-builders. They know what they are about today; they are out to get their full money's worth, and by the aid of increased gasoline and motor vehicle taxes, they now avoid crushing the landowner into bankruptcy. Some of the first roads of the Arkansas Ozarks were bought at an almost ruinous cost to their communities. But that's a concern of the past. The thing of importance now is that these folks have roads, and that more are coming. And vital enough they all are!

Meanwhile, to transform a much larger portion of the Ozark area, which spreads over half of Missouri, conservative Old

Mizzou herself—and no pussyfooting about it, either, but with a loud blare of trumpets—has plunged into a sudden gigantic program of highway construction which is on a scale to compare with the greatest engineering projects.

Upon the highways of Missouri, the sparsely populated and comparatively impoverished hill counties of the Ozarks receiving their equal division of funds along with the richest and most populous counties of the north, \$206,000,000 is being expended—nearly half as much as the total cost of the Panama Canal!

It all has happened so swiftly that most Missourians themselves scarcely appreciate what transformations are under way, especially in that southern "hill country" which for a hundred years, fettered by lack of proper road facilities, never has had a chance to prove its worth.

Now for an example or two. From Stone County, Missouri, comes this incident, for which the writer vouches as a witness. This happened not more than fifteen or sixteen years ago and in a county which had a railway cutting a long diagonal across its very center.

A Sample of Provincialism

FOR FOUR days we had been voyaging by Ozark toothpick skiff on a "float trip" down the James River and the White from Galena. By this time we got to wondering whether we weren't nearing some sizable town. So, to the first native we spied on the bank—a youth almost old enough to vote—we shouted an inquiry:

"How far do you call it, please, from here down to Branson?"

"Dunno," the youth replied. "Hain't never been tuh Branson."

"How far is it, then, to Galena?"

"Dunno. Hain't never been tuh Galeny, neither."

A rock-littered, stumpy road wriggled up from the shore past a few cabins and on over the hilltop through the woods. Perhaps that might furnish a clew?

"Where does that road go?"

"Thet thar trail? Nowhar pertie-lar. Jest back in the bresh a piece."

Real provincialism for you! This young man had vegetated all his life in one small cove, had never visited the nearest county-seat towns or even heard the whistle of a locomotive.

The chances are excellent, however, that his horizon has widened since. In the past few years this immediate neighborhood has attracted droves of automobile tourists; and the residents of Stone County now boast not only of such tokens of progress as Galena's new courthouse and the new school buildings, but also of the fact that in the last winter they possessed in their own right 1,322 motor cars—571 of these purchased since June 1, 1925.

Today the lowest number of cars registered in any county of the Missouri Ozarks exceeds 550. From that the figures run on up to the peak attained in the "flats" of Greene County, of which the capital is Springfield, where the total on January 1, 1927, reached 16,776.

Motor cars had become a commonplace of life a dozen years ago in the prairies of Kansas, Oklahoma and northern Missouri,

but in the Ozark mountain region they were being operated by only a few of the boldest trail-breakers. The experience of such a hilly spot as Shannon County, Missouri, is typical. Though at this writing there are 863 cars in Shannon, we hear that there wasn't a car in the county in 1912, and in 1913 there were only two.

The capital of Ozark County, farther west—in inland isolation nearly 50 miles from the nearest railway—got its first big thrill at the sight of a "horseless carriage" in 1911, when two adventurous lads from a West Plains machine shop drove proudly into Gainsville.

The attempt to transport the Gainsville-West Plains mail regularly by a hard-rubber-tired motor hack proved a failure even so recently as 1914. After that, we hear, the owners of the hack sold out for \$125. Then the new possessor, likewise, got "plumb discouraged" and left it to rust in the rain. Luckily, the flivvers which gamely began their conquest of the county at about the same period "stood the racket" much better. And now behold the contrast:

Where the old Gainsville mule-team mail stage used to bump for ten painful hours along the road to West Plains, the modern mail stage over the same route is a 24-horsepower gasoline truck which makes the run easily in three hours.

Where the freighter wagons by which all heavier goods used to be imported into Ozark County required from two days, in the best of weather, to four or five when the roads were heavy, you now see loads of goods weighing from 3 to 5 tons go rolling down the length of the drive in a single morning. As one consequence, the once-burdensome tax for freighting has been cut in half.

Now Farmers Profit, Too

IF THE merchants profit directly, and the consumers, so do the farmers of the Gainsville neighborhood, who used to herd their fattened cattle and great droves of turkeys down the long, rough road afoot, every weary mile taking its heavy toll of marketable weight. All this trudging, all this lost time and costly shrinkage now are being eliminated by the more modern method of transportation by motor truck.

What has all this done for Gainsville, in terms of dollars and cents? Within the past two years—the period since good roads and a new \$60,000 bridge have "put the town upon the map"—deposits in the Gainsville bank have increased more than \$100,000!

The cut in the heavy tax for freighting is not, of course, the only reason for this new prosperity. Improved farming methods came in along with improved roads; a real incentive to greater production arrived when it became possible to market at a larger margin of profit.

In these once-remote Ozark regions good roads and modern motor cars work precisely the same kind of transformations that railways once did in winning the western prairies.

On rubber tires instead of by the old "iron horse" a complete new set of standards of living now arrives, in short, a new civilization; the last backwoods have disappeared.

Taking The Guesswork Out of an Industry

FIFTY years ago the paper makers of the country quit going it alone and trusting to luck to shape the destiny of the larger affairs of their business.

By **CHESTER LEASURE**

brought exchange of experiences and this a growing group consciousness and a spirit of confidence.

Gradually it dawned upon the individual paper maker that his competitor was a pretty decent sort of fellow after all.

Common interests brought them together. Questions of markets; questions of production—the industry's capacity to meet the nation's demand for paper yet avoiding disastrous over-production; questions of raw materials; questions of foreign competition involving national tariff legislation; questions of domestic competition, perplexed the individual paper manufacturer. Alone, he was unable to cope with them satisfactorily. His vision was hemmed in by the immediate horizon of his own plant and distorted a bit, perhaps, by little devils of suspicion as to the squareness of competitors. No matter how careful his study, his own judgment was not as incisive and accurate as the collective judgment of his group. Going it alone the best that could be hoped for was a sort of "by-guess, by-gosh" solution of the larger problems of the industry.

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Beginnings of an Industry

THE BEGINNINGS of paper making in America run back into colonial annals. As early as 1690 a mill for the making of paper by hand process from rag pulp was established at Germantown, Pennsylvania. But not until the War for Independence shut off the supply of paper from England, did the domestic industry acquire anything like impressive proportions. With this war embargo on paper imports Continental government officials appealed to the people to save rags so that sufficient paper might be made to meet the more urgent and pressing needs. Under this stimulus many small paper mills sprang into existence, producing hand made rag pulp paper, and from then on until the outbreak of the war between the sections in the sixties there was a steady increase in the number of paper-making enterprises.

Two events gave the paper-making industry great impetus.

First was the invention of the Fourdrinier machine bringing the aid of mechanics to the art of paper making. This made for increased and cheaper production.

Second was the discovery of wood pulp as a substitute for rags as raw material for paper manufacture. This came about the time the guns of Civil War ceased fire.

During all this time paper makers occasionally got together. But these were more or less chance gatherings and represented no approximation of a fair representation of the industry. During the sixties and early seventies these meetings grew more frequent and attracted larger interest among individual manufacturers. Contact brought acquaintance. Acquaintance brought better feeling. Better feeling

Beginnings of Organization

A DEFINITE gesture toward inclusive organization was made at a meeting of paper makers assembled at Springfield, Massachusetts, July 20, 1878. This meeting issued an invitation to all makers of writing, book, manila and newsprint papers to meet at Saratoga Springs, New York, on August 28, to discuss common interests and to effect an inclusive trade organization widely representative of the industry.

One hundred paper makers responded to the invitation and organized the American Paper Makers Association with William Whiting of The Whiting Paper Company of Holyoke, Massachusetts, as its first president. The Association has been continuous. Recently the organization whose name was changed in 1897 to the American Paper and Pulp Association with a membership widely inclusive of paper merchants, pulp and paper manufacturers observed its semi-centennial. The association thus is distinguished as one of the oldest trade organizations in the country.

In the call for the Saratoga Springs meeting its purposes were thus set forth:

It is expected that all matters affecting the general good of the trade will be considered at the meeting, especially the question of demand and supply and the best means of insuring stability to our business.

The meeting, thus called, assembled and the participants officially resolved:

The time has come when an intelligent sense of duty and interest calls upon the paper manufacturers of the country, one and all, to unite in a well directed organized effort to rescue their business.

They pledged faith in the principle of organization in this language:

By acting intelligently together we can make our business what it ought to be and place it upon a basis more satisfactory and sure than it ever has been or ever can be while we work in ignorant, independent rivalry.

Summing up conditions confronting the industry, General Plunkett, of Adams, Massachusetts, chairman of the meeting, in his opening address, said:

Now we have new vagaries coming up. Free trade notions—communism and other so-called reforms are looming large.

The life span of the paper-making industry in America is a bit over two hundred years. That of the association of paper and pulp makers and merchants is but fifty years—a scant fourth of the time since the first paper mill was established in America. Is it merely a coincidence



The paper maker cannot follow the retreat of the forests; plants are too big and too expensive. This makes the paper and pulp industry an aggressive supporter of practical reforestation

that into this last quarter of the industry's existence is crowded a record of achievement, of expansion, of progress far surpassing the record of the previous century and a half of the industry's life?

In common with all industry, to be sure, mechanics, invention and applied science gave the business of paper making a tremendous forward impetus, but the alertness of the industry to grasp opportunities opened before it by invention and discovery was the contribution, not of invention and discovery, but of the vision and courage of organization!

Invention and discovery made possible a vastly increased production. This mass production made possible a much less expensive product.

But the Fourdrinier paper-making machine and the discovery of wood pulp as a raw material did not expand markets nor find new uses for the increased production. That was the work of organization within the industry—the accomplishment is an impressive exhibit in the case for the trade association as an invaluable adjunct of modern business.

"Go-It-Alone" Is Passe

THE EXISTENCE of these group organizations is evidence that the manufacturer and business man are convinced that the go-it-alone policy is neither satisfactory nor profitable.

His identification with a trade group is a recognition that association with others, producing or distributing the same commodity, enables him through group action to do those things which he could not afford to do alone. Moreover, suspicion and injurious "cut-throat" competition give way to a spirit of friendly cooperation and of confidence.

Membership in such a trade group involves neither loss of individuality nor of initiative in the profitable development of the member's own enterprises. On the contrary he is stimulated to greater initiative. He is instructed in more effective business methods through the mutual exchange of experience. By joining forces with his group he copes more effectively with the needs of his industry in research, in contacts with government, in foreign competition, in overcoming foggy notions and beliefs and in outlawing abuses within the industry, without waiting for ambitious statecraft to set up the hue and cry, "there ottabealaw!"

A Revolution in a Lifetime

THE TRADE association, moreover, is essentially a democratic organization. It tolerates neither dictators nor autocrats. It is not "bossed."

But to return to our muttons—the paper industry is, perhaps, the only American industry whose principal raw material has changed completely within a generation. This was of tremendous importance, not only to the industry but to the social and intellectual progress of the country. As recited, pulp made from wood came into use in paper making about the time of the close of the Civil War but not until the seventies—significantly coincident with the organization of the industry into a cohesive trade group—was the process of reducing

wood to pulp developed to a degree permitting its general use.

In this day of great metropolitan newspapers, magazines and low-cost books it is difficult to visualize conditions which existed when all newsprint and all of the better grades of paper were made entirely from rags, and quite largely by hand.

Enter the New Competition

GROUNDWOOD or mechanical pulp produced by pressing blocks of wood against a revolving stone, like a huge grindstone, and produced in quantity rapidly and cheaply, made cheap newsprint and book paper possible. This, in turn, resulted in bigger and speedier paper-making machines feeding huge printing presses producing tremendous editions of daily newspapers, popular weeklies, monthly magazines and "best sellers."

Equal in importance to the reduction of wood to pulp by mechanical means are the developments in the reduction of wood to pulp by chemical agency. Research and exchange of experience through group association measurably advanced these achievements just as they are the inspiration of continuing experimentation in the refinement of wood pulps and their adaptation to an increasing variety of uses.

Millions of pounds of rayon from wood pulp!

Millions of yards of wood cotton!

Synthetic woolens!

These are of far-reaching effect upon the life and habits and industry of the country. And the end is not yet. The explosive power of steam—the method used to produce the "food shot from guns"—is producing a wood pulp of literally tremendous potential possibilities adapted to structural uses and doing it in minutes where the older processes took hours. This, too, cheapens production and puts a new weapon into the arsenal of the New Competition!

Untold values in forests. Trees and scientists—competitors of the silk-worm, the cotton spinner, woolen textiles and the structural material industries! This is but a glimpse of the vista that unfolds.

An Industry That Stays Put

WITH the substitution of this new raw material, wood pulp, the paper-making industry became dependent upon the forests, but unlike the lumber industry which is more or less nomadic in character—cutting here and then moving on to new stands of timber, the paper industry is more fixed in character. Once a mill is located it stays put, unless there is a complete exhaustion of its raw materials within a radius of unprohibitive transportation costs.

A modern paper mill is a complicated manufacturing plant requiring the services of skilled workers and artisans. It is estimated that erection and installation costs of such a plant are some \$40,000 per ton daily production capacity. Obviously such expensive aggregations of plant equipment can't be hauled 'round from place to place without tremendous cost and loss. Then, too, adequate water supply is imperative.

This inability of the paper maker to follow the retreat of the forests makes the associated pulp and paper industry an aggressive advocate of practical foresta-

tion. Nor is the paper maker actuated entirely by self-interest for, vital as wood is to his welfare, the paper maker consumes but 4 per cent of the annual cut of timber in this country.

The most desirable woods for pulp are the so-called soft woods, the evergreens, spruce, balsam, fir and hemlock. Increasing scarcity of these woods has directed the paper maker's research into experiments with hardwoods. Practical experiments have proved the utility of such woods as beech, birch, maple, bass-wood, cottonwood, gum, yellow poplar, and the like. One of the popular national weeklies is now printed upon a book paper produced from hardwood pulp.

The associated industry participates in these searches for substitutes to bridge the industry over until such time as reforestation assures a supply of the soft woods.

Done in quick strokes, such is the picture of past and present activities of trade organization as typified in the pulp and paper industry. Through its half century the association has had its ups and downs yet it has piloted its course toward its major objectives—sound and permanent solutions of common problems through cooperative intelligence and enthusiasm.

A Record of Achievement

A BRIEF enumeration of major association activities suffices to establish definite results of its service to its industry. Noteworthy among these are:

A membership expanded until it represents the entire industry.

A comprehensive statistical service covering all groups within the industry—a service that interprets the facts of general business in terms of the interest of the pulp and paper industry.

Cooperation with other national agencies in support of helpful legislation and in opposition to hampering legislative proposals.

Friendly contacts with the pulp and paper industry in Canada and European countries and contacts for better relations between the industry and the manufacturers and distributors of accessory materials used in paper making, such as casein, glue, resin, coloring pigments, China clay and the like.

Assistance to individual mills in developing new markets for their products as substitutes for other materials, through group selling.

Standardization of paper grades and sizes accomplished through the activities of the association and its affiliated organizations in cooperation with the federal Department of Commerce.

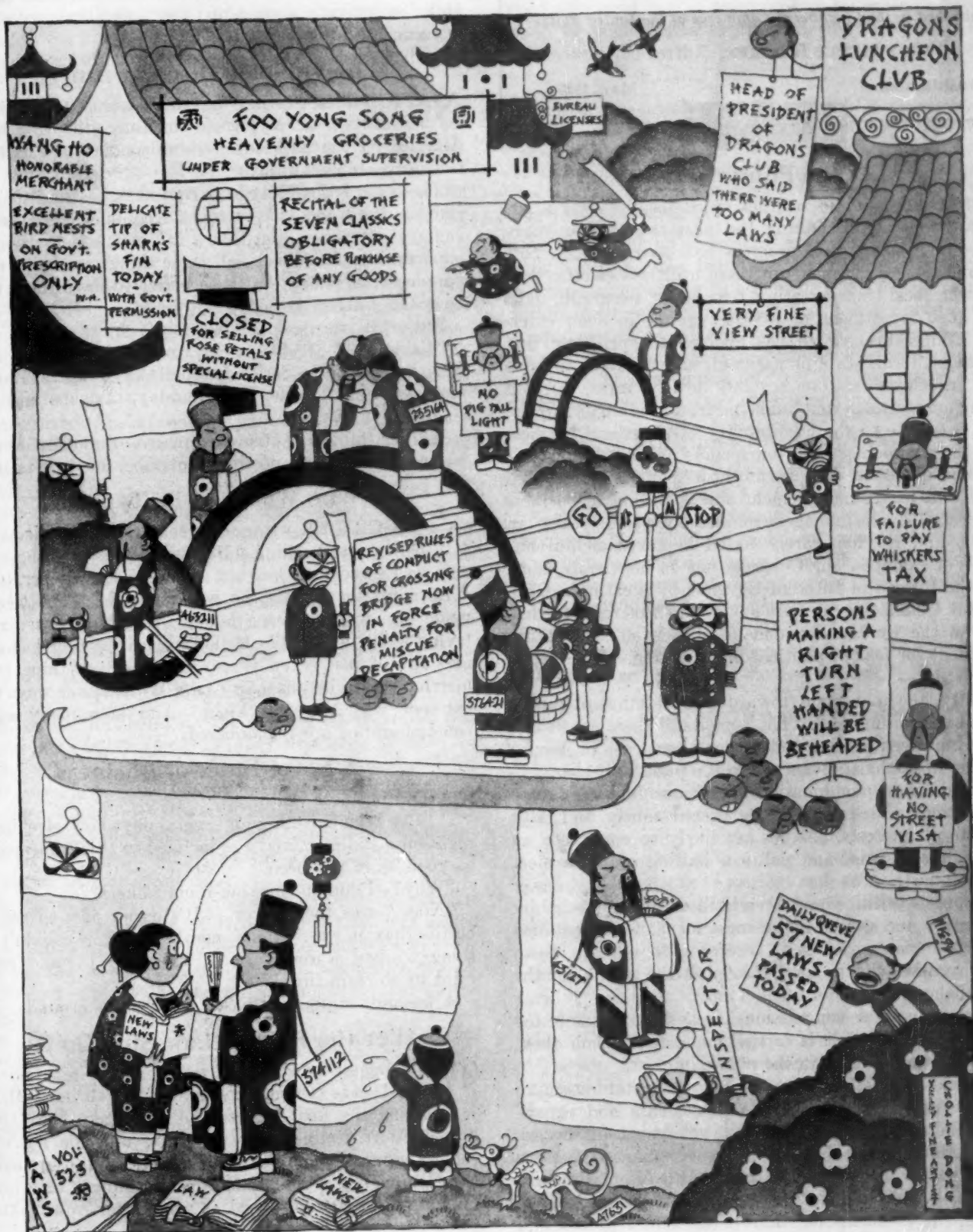
The promotion of a comprehensive forestry program to insure a supply of raw materials.

Adoption of rules and regulations for weighing, sampling and testing wood pulp, acceptable to both domestic and foreign manufacturers.

Fostering more effective cooperative relations with the Department of Commerce, the U. S. Forest Service, regional forestry experiment stations, the Bureau of Standards and other governmental agencies.

The promotion of a public appreciation of the essential character of the industry and an understanding of its problems.

BABBITT THROUGH THE AGES



VI—CELESTIAL CATHAY

WONG FOO BABBITT, newly elected president of the Dragons' Club of the City of Unspeakable Bliss, is about to set forth to purchase a dozen petrified pigeons' eggs—no small task in those early days of much government regulation. Mr. Wong has read seventeen volumes of laws regulating street traffic and the thirteen volumes regarding purchases (especially Vol. IV [eggs], Sec. 2 [pigeons]; see *People vs. Wing* 146 Canton 283). His wife and child bid him farewell—perhaps forever.

NATION'S BUSINESS

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MERLE THORPE, Editor

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Let the Public Know

IN 1900 most public utilities were locally owned and locally operated. During the past twenty-five years, however, phenomenal progress has been made in both plant and service expansion of these utilities—electric light and power, local transportation, telephones, telegraph, radio—and huge investment of private capital in such enterprises. With this growth has evolved the principle that government, local, state or national, has the right to issue utility franchises and to regulate utility rates, without wresting management and financing from private enterprise.

It is a tribute to the adaptability of American business and to the common sense of our people as well that in this short time a system of governmental regulation has been evolved that leaves management and operation to business enterprise. Private management and operation retains an initiative and freedom rarely found in governmental bureaus. For example, our Congress has so hopelessly hamstrung the Bureau of Internal Revenue by creating a Congressional Committee to pass on certain tax refunds that no one in the Bureau dares make a decision against the Government for fear of political investigation. But that is another story—

Recently, the movement toward consolidation of public utilities has been marked. The benefits of these consolidations in improved service and in decreased cost of service have been of obvious advantage to the public.

But with these combinations and consolidations come new questions which must be answered sanely and with justice to all interests, else we are likely to come into an era of public distrust and political baiting of these most essential industries.

These public utilities have been built and consolidated by the initiative and genius of business men. Once installed they become necessities and, according to our American philosophy, must not be used to exploit the public for the benefit of the few.

The governmental commissions have been inaugurated to see that this principle is carried out. As a whole these commissions are working in the public interest.

Management must have a sufficient financial return to insure the necessary funds for replacements and expansion of facilities necessary to the development of service. Rates, therefore, must be fixed by governmental agencies at a level that will bring such returns. It is essential, moreover, that the public know and understand the methods of financing, the problems of control, the actual profits and the reason for rates charged.

An understanding of these subjects in relation not only to the local service companies but to the holding companies is necessary to a proper relation between the public and these indispensable agencies.

The great majority of these public service corporations have a keen appreciation of the public interest and enjoy public confidence.

The small percentage of doubtful ones should not be allowed to undermine public confidence in this great basic

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industry. The effective defense against political clamor and ignorant criticism is a frank revelation of the facts. And the facts will prove beyond question that the principle of private ownership and operation with proper governmental regulation is sound.

The Tabloids Discover America

NATION'S BUSINESS has been accused of being materialistic, of trying to measure the greatness of America by the bath tubs, the telephones, the radios and the automobiles it enjoys.

The truth is that NATION'S BUSINESS has said that material comforts and conveniences are not the measure of a country's greatness, but that a full stomach, a warm home, opportunities for travel—all these things are helps towards happiness; in short, that it is better to have them than to be without them.

But when we read this we rebel:

"Tabloids * * * are as truly expressive of modern America as World Series baseball, skyscrapers, radio, the movies, Trudy Ederle, Billy Sunday, taxicabs and beauty contests."

If these things are "truly expressive of modern America," we can but feel that possibly Columbus made a mistake.

Who Wants to Be Typical?

A SUBSCRIBER wrote to us recently to criticize an article on retail selling. He pointed out that the retailer, who was successful, was not a typical storekeeper.

As a matter of fact, he was unusual. That was what made him worth writing about. And isn't every retailer trying to be just that? If the "typical" grocer has a business life of just seven years, then the best thing for any merchant is to be unusual. John Wanamaker wasn't typical, nor was Marshall Field. And how many of their contemporaries are remembered?

A Novel Index of Business

S AID a business visitor:

"I've been traveling for several days now, sleeping each night on a Pullman, and I'm inclined to think business isn't as good as it has been."

"Why? Pullman smoking-room talkers?"

"Nope," was the answer. "It's easier now to get lower berths than it was. Some months ago you couldn't get a thing without a reservation. This trip I could get 'em right up to train time."

A business impression based on peculiar grounds.

Let the Biggest Law Suit Go On

THE "Biggest Law Suit of the Century" may now proceed. It was temporarily halted on February 21 when, in deciding the Los Angeles and Salt Lake case, the Supreme Court declined to review the valuation methods of the Interstate Commerce Commission on the ground that the Commission's valuations are not subject to injunction until they are actually used as a basis for rate making, or for recapture, or for some other purpose.

On March 31 the Commission accepted this challenge and used its valuation of the St. Louis & O'Fallon Railroad as a basis for directing that road to pay to the Government \$228,000 of "excess earnings." In its decision the Commission said: "What we do in this case we must in principle do for all the railroads in the United States."

This case will undoubtedly be carried promptly to the Supreme Court of the United States. The railroads will urge that cost of reproduction at present prices is the basis that should be used in fixing the value of the railroads of

the country. The Commission will condemn the use of cost of reproduction at present prices as the "sole or controlling criterion in the determination of values for rate-making purposes," and will defend its own method of valuation at 1914 unit prices with the valuation brought up to later dates by the addition of actual recorded investment expenditures less depreciation.

The O'Fallon decision is, of course, not final, and it may be reversed by the Supreme Court; but it has already accomplished one very desirable purpose—it has made possible an immediate appeal of the whole question of railroad valuation to the Supreme Court of the United States under the terms prescribed by the Court itself in the Los Angeles and Salt Lake decision.

Stick to Your Trade Association

THE TRADE association movement in this country is no new thing. It has been tried and not found wanting. That is one thing that makes valuable the article on the work of the Paper and Pulp Association which we print elsewhere.

But the article has a larger purpose than the mere reporting of the work of an association which is just celebrating its half century of usefulness. NATION'S BUSINESS hopes that this and similar articles which we have printed will serve the double purpose of stimulating other industries to organize or to perfect their existing organizations and to teach the business man how important to him is his trade association.

In these tremendous days of competition between industries, of dependence upon research, of need for more knowledge, the man who tries to fight alone is foolish.

Where Big Offers Go

SOME of the testimony at the hearing on the taxes due from the Ford minority stockholders was devoted to the value of Ford, not Fords nor the Ford plant, but Ford himself. Bankers who testified rolled out huge figures of what they would give for the business; but what they meant, and what they sometimes said they meant, was what they'd give for the Ford name, the Ford reputation, the Ford ability at management.

Just the other day it was reported and not denied that Gerard Swope, president of General Electric, was asked to take charge of another concern which had been in trouble, at a salary of \$250,000 a year and a bonus of a million or so in stock. The value of a name when that name means managerial skill!

And probably of a million or two aimless-minded youths who read the announcement, half said:

"Gee, the lucky stiff!"

And the other half said:

"\$250,000 a year! One year for me, and then I'd take life easy."

But somehow the man who thinks such things are luck and the man who wants to work a year and quit aren't the ones to whom the offers are made.

A Tribute to Business

WHEN J. P. Morgan testified that "character" was "the bottom fact" in business, and that he dealt with a man primarily on that basis, his judgment aroused considerable carping comment. That his belief was well-reasoned time has made plain. But something more than approval of character in the abstract is recorded in a court decree which commends the trustees of the general and refunding mortgage of the Chicago, Milwaukee & St. Paul Railroad Com-

pany. In this long-drawn litigation charges were made that the trustees, the Guaranty Trust Company of New York and Vice-President M. P. Callaway, were pressing for the foreclosure and sale of the property in order to favor one group of bondholders to the injury of another. It was Judge Wilkerson's opinion that the charges were not sustained, and he declared that

the trustees have acted in strict accordance with their duties under the terms of the mortgages and indentures of which they are trustees. . . . To very high degree the trustees have acted in the interests of all the bondholders, giving due effect to the terms of the mortgages and indentures, which are binding upon the trustees and all bondholders alike.

An appraisal so approving of the trustees can hardly avoid fortifying their belief in the rectitude of their conduct in a proceeding involving a debt of \$400,000,000. But with the deserved commendation, it also has the useful quality of emphasizing to a larger area of faith the assurance that honor and humanity are the standards by which "big business" has become genuinely "big"—a conclusion long apparent to those who know most about business.

Millinery on Both Ends

PART of the women's shoe business left New England for Brooklyn and Newark a few years ago. Why?

Various reasons are advanced. One, set forth by a distinguished New England merchant, was that the neighbor manufacturers failed to realize that the women's shoe industry was very upset by new influences from without.

Said he: "Shoes for women are no longer just something to protect and cover the feet. They're styles. Women now wear millinery on both ends of 'em."

A failure to recognize "the new control."

Adventure and Youth

ARE THE young men of today as adventurous and adaptable as those of a former generation? A nautical friend suggests that they are not, and bases his belief upon the exploits of certain youngsters who once served in high command upon the sea.

A captain of 21 took a brig to China, bought a cargo, carried it to South America and sold it; a boy of 18 captained a schooner down to Norfolk, loaded it with coal and returned to Boston; a U. S. Senator from a New England state, as a boy of 19, was captain of a ship on a voyage to the Far East, which he reached after a series of thrilling incidents. There he sold his cargo, bought another and returned home. His companions on the voyage were a mate of 20, a clerk of 18 and a second mate of 24.

The son of a New Bedford merchant of the ripe age of 18, commanded a ship on a voyage to the Baltic, and made a honeymoon voyage of it by taking along his young bride of a few days. Then there was John Boit, Jr., who in 1794, commanded the 64-foot sloop *Union* on a voyage from Boston around Cape Horn to the Northwest coast, where he bought a load of furs that he sold in China. After loading with silks and tea he returned home by way of the Cape of Good Hope, thus circumnavigating the world. And this was accomplished without any of the modern aids to navigation by a matured sailor of 19!

These are interesting, not to say remarkable exploits. And yet last summer four college boys sailed a schooner, much smaller than the *Union*, across the Atlantic to Cowes, participated in an ocean race to Fastnet, on the Irish coast, and returned safely home.

And it may be that youth is now doing with automobiles and aircraft what its grandfathers did on the sea.

McDuffle Recognizes Russia

By H. A. JUNG

Commissioner, National Clay Products Industries Association

Cartoon by Charles Dunn

TWO YEARS ago George McDuffle had very definite ideas about Russia. "The Bolsheviks believe in world revolution and I don't," he would say. "They want to destroy private property and private enterprise. They are against the family, religion and bourgeois morality. If they kept those ideas in their own country, it would be bad enough, but when they announce that their goal is the overthrow of all capitalistic governments, including our own, and the substitution of their foolhardy, contemptible theories—I'm against them."

That, I have said, was two years ago when everybody knew what the bolsheviks expected to do to us, and the issue was very clear—we either favored their ideas or we opposed them.

But yesterday when I visited McDuffle's home he was a different man. He sucked the end of his cigar reflectively and hung his head on one side.

"Maybe," he said to me, "maybe we have been a little too hard on those Russians. Perhaps—perhaps we might even recognize them."

I gasped.

"But how about their contemptible theories?" I managed to exclaim. "Their theories on marriage, religion, and private enterprise?"

"Oh, well," he smiled, "of course some of the extremists in Russia want all these things, but then take the mensheviks, or even Stalin himself. After all, he's not such a bad sort."

McDuffle pointed to an article in *The Daily Blot*, which described in great detail the new Russian art. It was one of a series on Russian drama, Russian opera, Russian literature and Russian civilization.

Last night he told me he had witnessed the lavish movie spectacle, "Breaking Chains." A week ago he had

heard Chaliapin. This very noon he had listened to the head of the political science department of a university recount his experiences in Moscow. On his library table were copies of *Utopia in Chains*, and *A Prisoner of Trotsky's*, the latest issues of *The Nation*, *The New Republic*, *The Christian Century*, *The Liberator*, *The New Masses*, and a half dozen "liberal" magazines.

McDuffle, you see, prides himself that he "keeps up" on all these things and that he even subscribes to *The Daily Worker*.

And as we sat there discussing a plea for the recognition of Soviet Russia, written by a Y. M. B. A. secretary for *Current History*, I could hear emanating from the radio loudspeaker in the living-room, strains from *The Volga Boatman*, followed by announcement that Mr. Sherry Keddy, who has just returned from an extended study of Russia

with a mission of business men, would speak with authority on "Why Russia Should Be Recognized."

"Oh, George," Mrs. McDuffle gushed, as she stuck her head through the library door, "that's the Mr. Keddy who is one of the lecturers in our Russian series. He's going to speak on, 'The New Russia—Why the United States Should Recognize Her,' next Tuesday noon. Wouldn't you men like to come? We'd be tickled to have you!"

Evidently the McDuffles didn't hear what I murmured.

"Yes, come along, old scout," invited McDuffle. "I went last week and heard Dr. Parket on the same subject. He's a whiz. Just got back from eight weeks' intensive study of Russia. You'll like him—his broadminded outlook—his appreciation of art and all that."

Then as a clincher, because McDuffle,



Back of Russian literature, Russian music, Russian drama, excellent in themselves, perhaps, as manifestations of art, are the stark facts of the real Russia

after all, is a business man, George's eye lighted on two little paragraphs as he was scanning the market news of *The Evening Wow*. One indicated that our exports had been hit by the heavy export of wheat from Russia. The other told that a syndicate of prominent American capitalists had been granted oil and timber concessions by the Soviet Government. McDuffle lighted his cigar, blew a reflective smoke-

ring toward the ceiling and remarked with an air of deliberation:

"You know they can't be such a bad lot, after all. Look at their wonderful art—their theaters—their music—the culture of their leading representatives. And when a crowd like the Paragon Oil Company decides to invest in Russian oil, conditions must be pretty solid. Why, Dr. Whosit told us last week that life and property are safer today in Moscow than they are in New York or Chicago or San Francisco!"

"But how about the world revolution?" I asked.

McDuffie positively beamed at me and puffed very gently on his cigar.

"You forget

magazine articles—Russian books—Russian lectures—Russian radio talks! All are having their effect.

McDuffie and the rest forget that communism means the destruction of our present civilization. They are too busy listening



Stalin," he said. "The government is gradually moderating its policies. It's not the same

as it was under Lenin and Trotsky and Zinoviev. Why, Stalin has stated officially that he is discontinuing all foreign propaganda and concentrating his efforts on developing Russia's resources. He is letting foreign capital enter. He is re-establishing private enterprise. Under Stalin, Russia is turning its back on communism and the world revolution and there's no reason in the world why we shouldn't recognize such a moderate government. In fact, it would simply encourage Stalin and his followers in their present course. Don't you see?"

And only two years ago McDuffie was the red-hottest opponent of recognition of the Soviet Government I knew.

What has happened to McDuffie has happened, no doubt, to thousands of other ordinarily hard-headed business men in this country. They have become Russianized. They have been exposed to Russian influence from so many directions that it has gradually oozed into their systems, Russian art—Russian music—Russian drama—Russian opera—Russian literature—Russian

to exquisite Russian music. They forget that communism means the overthrow of every element of Christian civilization. They are too absorbed in contemplating Russian art.

McDuffie's ears have become so filled, his eyes so bedazzled and his brain so befuddled with Russian culture and civilization, that he is no longer able to perceive what he saw so clearly two years ago—that communism is a vicious philosophy that threatens McDuffie's entire world.

A Viper with Angelic Voice

THE FACT that communism threatens the world has absolutely nothing to do with Russian culture or Russian civilization or Russian charm. A communist, plotting the overthrow of western Europe, may have the face of an angel, the culture of a French savant, the voice of a Caruso or the sex appeal of a Rudolph Valentino.

Besides, communism is an international movement. It happened to establish itself in Russia, because a handful of internationalists were able to honeycomb the army and navy with their propaganda and overthrow the powerful czarist regime by a *coup d'état*. Most communists believed the world revolution would come in Germany or England or even the United States.

Now just suppose the same handful of internationalists had been able to paralyze the British Government and take hold of it. Would the excellence of British culture

or music or art or literature or character have had the slightest thing to do with the merits of the world revolution that the little group of dictators were plotting? Obviously not.

Yet this is the same fallacy precisely to which thousands of McDuffies are succumbing—they confuse Russian civilization and culture, which existed for generations before Lenin and Trotsky ever swung into the saddle and which will undoubtedly continue and develop for more generations under emperor, president or dictator—they confuse these things with communism and the communist dictatorship.

Let's get this straight. Communism is as much an international movement as it always was. Its leaders still plan to overthrow all other forms of government and establish the Union of Federated Socialist Soviet Republics all over the world. Their tactics have changed somewhat from the clear-cut attempt of Lenin to propagandize and revolutionize all foreign countries—that is all. The Third International, the organization formed to carry out the world revolution, has taken a subtler, more indirect tack. It is working under cover, it is gaining good will for things Russian, it is inveigling foreign capital and captivating the hard-headed industrialist and business man by promise of concessions.

Take two of the principal points of communist foreign policy: No. 2. "To conduct a peace policy to form the center of the

whole foreign policy of the Soviet government and to be at the basis of all its international actions." (Perhaps you've noticed the pacifist propaganda in America.) No. 5. "To take all measures to consolidate the defensive forces of the country (Russia) and to strengthen the 'Red' army, navy and air fleet." (Probably you have not observed the military propaganda in Russia.)

The pacifist propaganda is going over great with McDuffie, although, or perhaps because he doesn't know where it emanates. He doesn't know that the shrewdest brains at the command of the Soviet government are flooding the United States with pacifist literature under the cover of a dozen American organizations. He doesn't realize that the lecturers who begin by telling him how much better things are done in Russia and who wind up with a plea in favor of internationalism and pacifism, are communist emissaries.

Can You Blame McDuffie?

CAN you blame McDuffie, when his own pastor hasn't been able to see through the propaganda scheme? Like a hundred other clergymen, in fact, he spends a great deal of his time preaching pacifism, drawing up resolutions against all forms of military preparedness, circulating un-American pledges against taking up arms, no matter what the provocation and getting still other leaders in the church to join his interdenominational society.

Every reason that led to our policy of non-recognition five years ago exists today, in spite of all this smoke-screen propaganda. Our government gave as its reasons for refusing recognition, that Russia had repudiated her legitimate debts to other nations; refused to acknowledge our claims against her; was carrying on nefarious propaganda and inciting revolution in every country.

The communist government's own reason for carrying out such a program was that it could not exist alone surrounded by "capitalist" nations. Therefore it had to overthrow the other governments and establish the Soviet form universally. It wanted recognition for two reasons:

1. So that communist consuls established in principal American cities could use their consulates as propaganda headquarters in promoting the revolution of the American proletariat.

2. So that American capital could be induced more readily to invest its millions in the development of Russian resources—after which it could be kicked out at the propitious moment.

Lenin, in announcing the New Economic Policy, rather "spilled the beans" by explaining that he was inviting capital into Russia for the purpose of building up Russia industrially, but that he expected to confiscate all foreign property as soon as Russia's industries were in running order. He said that communism was simply walking backward toward capitalism in order to get more room for its final jump toward the world revolution.

Stalin displays more finesse. In spite of all this subtle propaganda that is enveloping my friend McDuffie, M. Stalin boldly declares that his government is not carry-

ing on any propaganda. As general secretary of the Communist (Third) International and head of the *Politbureau* (Political Bureau), he should know. Official spokesmen of the Kremlin announce that Stalin is engaged in solidifying the party, winning over the peasants, modifying the power of the proletariat (city worker), unifying Russia. He is pictured as a sort of William McKinley, a good party man, a conciliator, a nationalist and a man of peace.

Stalin, for all that, is as ardent an advocate of internationalism—of all those things that McDuffie hates and would fight against to his last drop of blood—as is Trotsky or Zinoviev, his political rivals and factional enemies.

World revolution is their common goal. They differ merely as to the best tactics to reach that goal.

An astounding document that I have just received from Geneva, seat for many years of the communist movement, throws a clear light on the situation.

"The present rivalries within the Russian Communist Party must not lead one to believe that one of the two opposing factions is disposed to deny the bolshevik gospel," reads one of the paragraphs. "Apart from personal questions which may divide them, it is simply that each of these factions has a different method of solving difficulties resulting from the economic disorganization and the increasing resistance of the Russian people to its tyrants. The

opposition of Trotsky and Zinoviev demands that the peasants be more effectively mastered and made to give up the resources needful for the maintenance of the dictatorship and the development of world revolution.

Stalin and His Friends

"STALIN and his friends are more clever and, therefore, more dangerous. Fearing that too great pressure on the peasants would precipitate a catastrophe for the Communist Party, they desire to temporize with them and to give an impression of moderation abroad, so as to obtain the credits indispensable to the dictatorship and the world revolution. They desire carefully to camouflage the action of the *Comintern* (Communist International) abroad, which does not signify that they have abandoned it."

Are Stalin's tactics superior to those of Lenin and Trotsky before him? If you have any doubt, take another look at McDuffie. He has swallowed the Stalin bait in one vigorous gulp. Lenin and Trotsky left the hook too bare—the hook of Soviet recognition. McDuffie knew exactly what we would be recognizing, several years ago—world revolution and destruction of private enterprise, the church, bourgeois morality and the home. He has forgotten the price that England, Italy, France and China paid for their recognition of the Soviet government.

Let us not be caught by the same bait.

Factors in the Coal Strike

MATERIAL changes have taken place in the coal industry in the last few years. In order to present these changes to the National Chamber's membership the Natural Resources Production Department has prepared a statement reviewing the situation.

Since the four and a half-month bituminous coal miners' strike in 1922, the production of non-union fields has been increased at the expense of union fields. It is this non-union production that is considered the deciding factor in the effects and results of the suspension. The best estimates of non-union production give a figure of about ten million tons a week. In addition to this, there will be some production from "outlying" unionized districts. The weekly averages of consumption during the last five years has been approximately 9,250,000 tons.

A Huge Coal Reserve

STOCKS of bituminous coal on hand indicate that on April 1 there were about 75,000,000 tons, which is greater than any previous figure.

To this figure should be added the coal in transit, which is probably 20,000,000 to 25,000,000 tons, making a total of reserves on April 1 of somewhere near 100,000,000 tons.

However, in considering these figures the coal user must bear in mind that, though the figures are for the country as a whole, in actual practice coal is not evenly divided among different parts of the country or

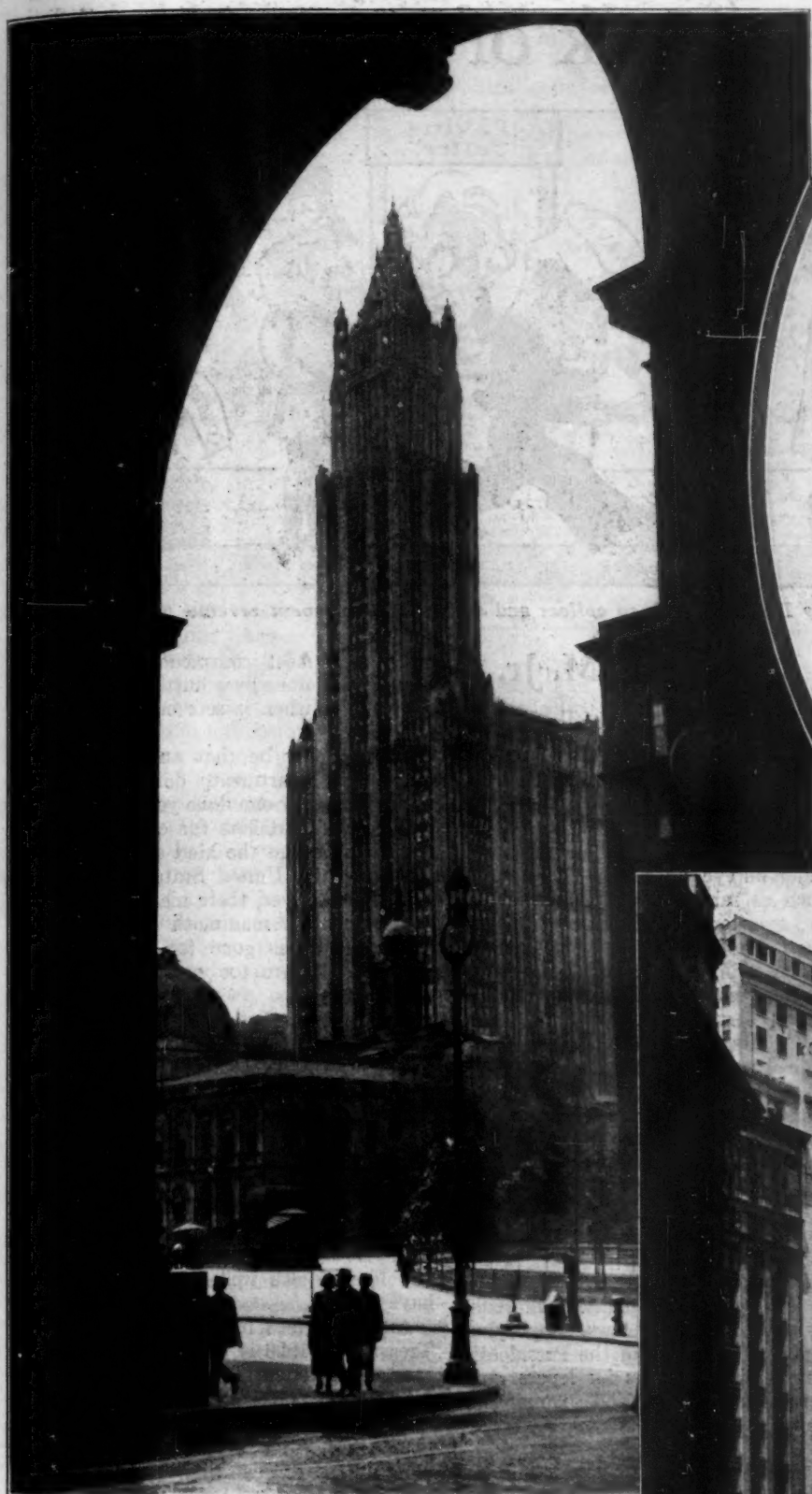
among different classes of consumers. At a meeting at Miami on February 15, called in accordance with the terms of the Jacksonville agreement which ended April 1, the operators proposed a wage scale "continuing and at all times a competitive scale with the wages and conditions prevailing in West Virginia and Kentucky." This wage scale to be determined by a commission selected by the respective parties to the agreement.

What the Miners Proposed

THE MINERS proposed that a new contract be entered into for two years, and that a joint continuing assembly of operators and miners should strive for conditions in the industry to maintain and advance the living standards of those employed in the industry, give a proper return to capital invested therein, lessen fatalities and injuries, promote a policy which will destroy the present practice of selling coal below actual cost of production, adjust freight rates, protect the industry from adverse legislation, and encourage the enactment of legislation of value to the industry and helpful in the saving of human life.

The outstanding subject of discussion was the operators' proposal for a method of determining a wage that would be "continuously competitive" with the non-union fields.

In support of their position, the operators gave figures of large losses during the past three years from the union to the non-union fields.



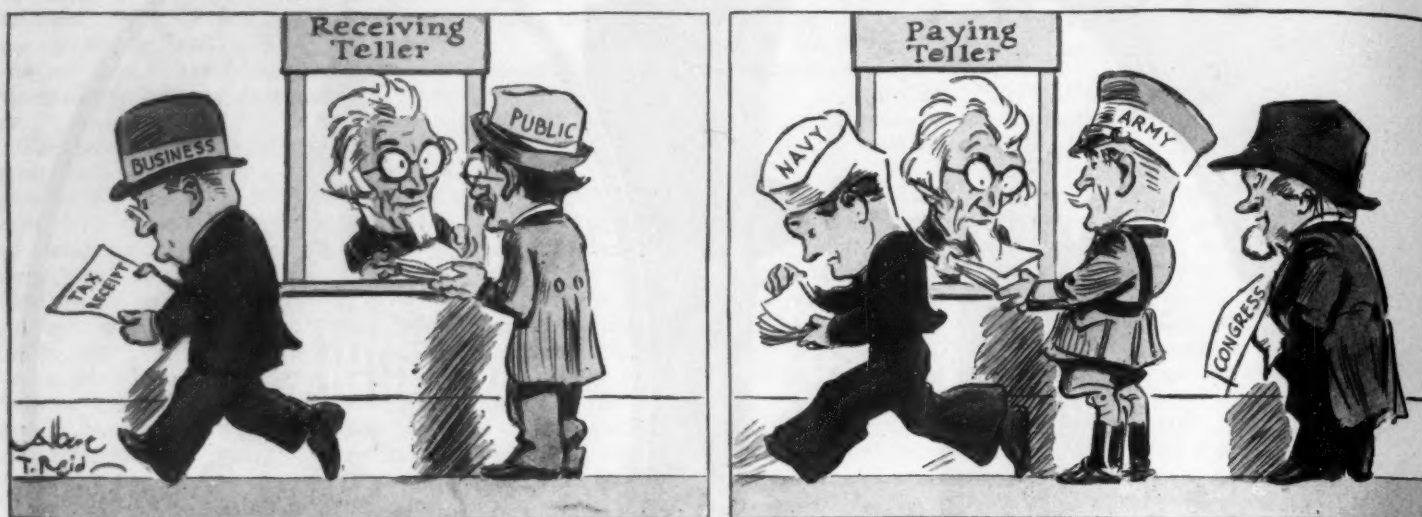
Frozen Rhythm

Above: The Woolworth Building, New York City, one of the world's largest buildings.

Oval: Traveler's Tower, Hartford.

Right: Cunard Building, New York.

The U. S. Treasury, Jack of Many Trades



The traditional duty of the Treasury Department is to collect and disburse government revenue

EDITOR'S NOTE: This is the second of the series, "Who Gets Your New Tax Billions?" The articles are predicated on these two entries from the ledgers of the Federal Government in the Treasury Department at Washington:

1913—Civil and miscellaneous establishments, \$170,829,673.42.

1926—Civil and miscellaneous establishments, \$1,396,455,947.06.

The entries cover comparable spendings of the Government for the last pre-war and the latest post-war year. They embrace the spendings of the government departments, Congress, the courts, the White House and the independent boards, bureaus and commissions.

They include only peace-time routine. They do not include moneys spent in either year for: The Army and Navy, Pensions, Interest on the public debt, Public debt retirement, Panama Canal, Indian affairs.

The entries show that:

Routine expenditures in 1913 were about \$500,000 a day.

Routine expenditures in 1926 were nearly \$4,000,000 a day.

In 1913 there were 97,028,497 people in the United States.

In 1926 there were 117,135,817.

On that basis, had these expenditures been apportioned, share and share alike, they would have cost each and every man, woman and child in the country \$1.76 in 1913. In 1926, these expenditures represent a cost to each person of \$11.92. While the population was increasing 20,107,320, expenditures at Washington increased \$1,225,626,273.64, or, to put it another way, while population increased 20.7 per cent, expenditures went up 717.4 per cent. Expenditures, in other words, increased out of all proportion to the increase in the number of people.

These articles tell why the increase and what we get for that additional three and a half millions a day.

In this article, Mr. Helm deals with the rising cost of maintaining and operating the activities of the Treasury Department.

FOR SWIFT and spectacular expansion, no department under the federal flag has kept the pace set by the Treasury. A few short years ago, this department sat on its bookkeeper's high chair and jotted down the record of receipts and spend-

By W. P. HELM, Jr.

Cartoons by Albert T. Reid

ings—that and little more. It was the trusted employe who collected the bills, made up the pay-roll, and had the combination to the safe. A few odd jobs, too, came under its eye, all related to its main work, such as minting metal and making currency; over-lordship of national banks; supervision over the revenue cutter service and its twin, the life-saving division; and, less relevant, general direction of the public health service, then relatively small.

And, of course, it was "straw boss" for the White House over the Government's two bill collectors, the Internal Revenue Bureau and the Customs Service.

Those were its job—little more.

But today it's boss of the works. All its old duties are still in its kitbag and with them a host of new ones. To it has been entrusted such work as building a fence along the Mexican border, fighting Rum Row, supervising farm loans, printing liquor permits, drafting certain treaties, enforcing the anti-narcotic and dry laws, simplifying taxes, guarding members of the President's family, maintaining homes for lepers, surveying rural sanitation, and planning a great building program.

A Dollar Escort

AND lastly, through the Bureau of the Budget the Treasury today tells every other branch of the Government except Congress and the courts how much money it may spend each year. Having done that, it follows through, sending an escort with almost every dollar to guide it safely to efficiency.

In the pre-war age, the Treasury went down on the public pay-roll for about \$65,000,000, refunds and everything else except interest on the public debt. Today—last year—its comparable spendings exceeded \$335,000,000. Five times pre-war size, both in the magnitude of its tasks and the volume of its spendings, it stands out

today, the most conspicuous example of what can be done by a hustling government department when it sets out to get on in the world.

Now it may be that an up-and-at-'em Treasury Department, doing today five things for every one done yesterday, spending today five dollars for every one spent yesterday, is just the kind of Treasury the people of the United States want. Conceivably, however, there may be those who hold that this mammoth branch of the Government has gone too far afield and that its bills are too great a tax on the public purse.

Facts; Not Fault-Finding

WHATEVER the thought, this article is neither critic nor advocate. It neither attacks nor defends the present scheme. Its one motive is to draw briefly a word-picture that will show the Treasury during the pre-war year of 1913 and again thirteen years later, or in 1926. Here's your Treasury of 1913; here's your Treasury of today. How do you like the new model? If you like it, all's well; if you don't, what have you?

And don't let's forget that, after all, the Treasury of 1926 is just as much the creature of our making as the Treasury of 1913. All that the Treasury did in 1913 and all that it does today is to obey our commands. If it has accumulated a horde of new duties during the swiftly changing years, it has done so at our behest. We, the people, through our representatives in Congress, have struck the rock and the water has gushed forth!

Now let's get down to concrete cases. A tabulation of Treasury spendings shows that the total for 1913 was somewhat more than \$34,000,000, the total for 1920 was more than \$93,500,000 and the 1926 total exceeded \$121,700,000. These totals are divided among eleven bureaus.

It has been tabulated so that only comparable spendings may be shown. The table doesn't show all the spendings. Many things the Treasury did in 1926 appear neither under the 1920 nor 1913 headings.

And from the 1920 and 1913 spendings have been omitted items which do not appear in the 1926 spendings.

Those eleven bureaus constitute the backbone of the department, with each bureau a vertebra. Hence the tabulation gives a clear and definite idea of the backbone of expenditures last year and again in 1920 and 1913. What do the figures show?

They show that those eleven main bureaus spent last year nearly one-third more than they spent during the fiscal year beginning July 1, 1919 (when the nation was at the height of its post-war readjustment), and nearly four times as much as they spent in 1913, the year before the European conflict started.

How Come?

WHAT is the reason?

Why is the Treasury spending so much more today than it spent in 1920? Why are its expenses four times as large as they were in 1913?

A brief survey may help find the answer. At the top of the list stands the Customs Service. In 1913, just before the Underwood Act became law, virtually all the customs had to do was to collect duties. Its pay-roll that year amounted to \$11,040,008, and it collected \$318,000,000.

In 1926, the customs pay roll had risen to \$16,744,263, or about half as much again as that of 1913. In that there was nothing sensational; in fact, the increased pay roll failed to keep pace with the increased cost of living or the increase in commodity prices, which, roughly, amounted to about 67 per cent. And in 1926 collections ran to nearly \$580,000,000.

So, on that basis, a calculation shows, in 1913 it cost somewhat more than 3½ cents to collect a dollar in customs and in 1926 the cost was less than 3 cents. While the amount of the pay roll has gone up 50 per cent, the cost of collecting each dollar has gone down. This, too, in the face of additional duties placed on the customs service since 1913, chief of which relate to its participation in prohibition enforcement.

A coming change, however, throws its long shadow over these figures. Customs employees are pressing vigorously for higher

compensation. The movement is heading up and may succeed.

Internal Revenue Bureau costs, next item on the list, stand today at a level half as high again as in 1920, and more than six and one-half times the cost of 1913. This showing, however, covers the bureau's entire work, so the discrepancy is more ap-

half cent in 1920; and in 1926 it was about a cent and one-fifth. The increase, measured that way, has been about 140 per cent in the past six years.

But the big increase in the bureau's total spendings lies in the cost of enforcing prohibition. In 1920, first year of enforcement, the bureau spent about \$2,000,000 in drying up America; last year \$11,000,000. The prohibition unit is a part of the Internal Revenue Bureau.

RIISING COSTS OF RUNNING THE TREASURY

Bureau or Service	Cost of Operation during the Year		
	1926	1920	1913
Customs Service (No Refunds).....	\$16,744,263	\$11,182,789	\$11,040,008
Internal Revenue (No Refunds).....	46,279,718	30,543,071	6,017,401
Coast Guard (a).....	24,958,161	10,324,940	4,911,520
Bureau Engraving and Printing.....	7,402,468	5,779,501	3,538,146
Public Health Service (b).....	9,034,054	21,911,550	2,230,245
Operating Public Buildings.....	9,487,062	7,108,693	4,704,203
Chief Clerk and Superintendent.....	941,181	1,019,875	307,474
Treasurer of the United States.....	1,446,894	1,583,019	877,759
Comptroller of the Currency.....	2,479,608	1,553,787	184,677
Mint and Assay Offices.....	1,603,368	1,545,235	1,067,509
Printing and Stationery.....	882,157	646,236	148,863
	\$121,258,934	\$93,209,696	\$35,027,805

(a) Figures for 1913 cover Revenue Cutter Service, \$2,566,910, and Life-Saving Service, \$2,344,610. These have been consolidated since 1913 as the Coast Guard.

(b) Included in totals are pay of personnel and maintenance of hospitals, 1926, \$5,129,863; 1920, \$14,044,968, the latter figure covering the Service's work among soldiers and sailors during the year beginning July 1, 1919.

parent than real, when applied to the cost of collecting taxes. For since 1913 the Government has adopted an entirely new policy, that of prohibition, and much of the cost of enforcing that policy is included in the Internal Revenue totals for 1926.

Sumptuary Costs

IN FACT, more than \$11,000,000 of the 1926 total under internal revenue was spent to enforce the dry laws and the antinarcotic measures, neither of which was on the statute books in 1913. Deducting that item, one finds that the actual cost of collecting the revenue in 1926 was about \$35,000,000, which compared with \$30,500,000 in 1920, less prohibition spendings that year.

In the cost of collecting a dollar of federal taxes, there has been a sizable increase since 1920. The record discloses payments of about \$33,350,000 for salaries and other simon-pure collection costs last year as compared with about \$28,500,000 six years before. The increase has been nearly 20 per cent. During the same period collections have dropped from \$5,400,000,000 to \$2,800,000,000.

Roughly, therefore, the cost of collecting the internal revenue dollar was about one-

war. When it reassumed its identity after the armistice, it was burdened with readjustment problems. Those helped run its operating costs up to more than \$10,000,000 in 1920. Three years or so thereafter bobbing lights that marked the first Rum Row were strung along the coast line, and not long thereafter, as everyone knows, Congress ordered a little dry navy of hundreds of small swift craft to thwart the bootlegger of the sea. That Navy's cost and the expenses of maintaining it have been plumped in full into the Coast Guard's budget.

The result has been an increase of more than 140 per cent in the cost of the Coast Guard's routine since 1920. One finds today a \$20,000,000 pay roll for this service. In 1920 the Coast Guard's pay roll was about \$9,500,000, and repairs alone ran to five times the 1913 figure.

Similarly, there has been a big increase in the running costs of the Bureau of Engraving and Printing, but much of that increase trails back to the war. In 1913, when about all the bureau had to do was to manufacture national bank and treasury notes, then the chief forms of currency, and postage stamps, the cost of the bureau's work ran to about \$3,500,000.

A Long Trail

ENFORCEMENT also leaves a wide trail in the swollen cost of conducting the Coast Guard. Back in 1913, when there was no Coast Guard and the present organization was split between the old Revenue Cutter Service and the Life-Saving Service, they spent less than \$5,000,000 combined.

The Coast Guard was created in 1915, a merger of those agencies, and was piloted into the Navy during the



Of late the Treasury functions have grown amazingly. It has become a sort of jack of many trades, its activities ranging all the way from wet-nursing bacteria to patrolling Rum Row

Many have been the additional duties placed on it since then. The advent of the Federal Reserve Board alone, which carried the necessity for turning out federal reserve currency, increased greatly the bureau's work. Other big jobs since 1913 include the designing, engraving and printing of vast quantities of bonds and notes not only for the Treasury but for the federal farm loan board and the joint stock land banks; a heavy increase in postage, revenue and customs stamps; turning out pension checks by the hundreds of thousands monthly as compared with quarterly checks before; printing all liquor permits, passports, drafts, warrants and transportation requests.

In addition the bureau prints all the postage stamps, currency and bonds of the island possessions. Its work has more than trebled since 1913 and probably is 50 per cent heavier today than it was in 1920.

Expenses of the Public Health Service stand today at more than four times their 1913 volume, largely because of certain activities conducted on a large scale during the war. Of the \$9,000,000 spent last year by that branch of the Government, for instance, more than half, or \$5,129,000, went to pay of personnel and for other expenses in maintaining hospitals. In 1920 the item ran to more than \$14,000,000 and included the work among soldiers and sailors.

Some bureaus, small in 1913, have grown man-size since. Look, for instance, at the office of the Comptroller of the Currency, whose duties have multiplied under the federal reserve system. In 1913 this office spent but \$185,000 and of that more than \$41,000 was reimbursable. Today its spendings are nearly 15 times as great, a single item—salaries and expenses of national bank examiners—amounting to \$2,204,000.

Another growing bureau is the office of the Supervising Architect. The record shows his expenditures in 1926 to have been double the \$4,700,000 spent in 1913, a showing that will surprise few familiar with such costs.

Another Rising Cost Factor

BUT—the expenditures of the Supervising Architect's office are due for a sensational upswing in the near future. It lies just around the corner. One cannot execute a building program calling for \$165,000,000 or more, such as Congress has authorized, without spending some dollars for supervision. As the program progresses to its completion, operating costs likewise will increase. The chances are that the spendings of the supervising architect will be on the wing from this time on.

Certain minor items, too, attest to the great growth of the department as a whole. One finds, for instance, an item of \$386,000 for stationery alone for the office of the chief clerk of the Treasury in 1926.

Again, distinctive paper for Government securities (exclusive of currency) cost \$1,535,000 last year, nearly five times as much as in 1913. The telephone bill of the Bureau of Internal Revenue in 1926 exceeded \$121,000—more than \$10,000 a month—as compared with a total so small in 1913 as to preclude its separate listing. And there were spendings by minor divisions of the Treasury, not listed in the

tabulation presented here, which included:

Division of Bookkeeping and Warrants..	\$576,383
General Supply Committee.....	112,139
Public Debt Service.....	4,913,577
Bureau of the Budget.....	164,244
Federal Farm Loan Bureau.....	452,900

Only one of those five bureaus appears on the 1913 record of spendings, the division of bookkeeping and warrants, and its spendings for that year were \$85,667. The other four are new, although the public debt service covers work that was done in 1913 on the then outstanding national debt.

Its date-book crammed with all sorts of miscellaneous assignments, the Treasury is rapidly becoming Uncle Sam's Jack of all trades. Its duties, some old, some new, apparently run the range of human activity.

On the scientific side it acts as wet nurse to billions of disease bacteria, feeding them many pounds of extract from fine beefsteak every week, guarantees anti-toxins, feeds narcotics to monkeys, inoculates jack rabbits, wages war on rats, takes the temperature of arriving immigrants, measures lati-

tude and longitude, fights venereal disease, designs the national currency, and samples 100,000 bottles of bootleg liquor every year.

On the business side, it collects the revenue, runs down counterfeiters, assists in halting bootleg immigrants, pays all bills against the Government, runs the largest engraving plant in the world, trails the President, controls potable water on all trains and steamships, repairs all public buildings, buys and distributes most of the federal supplies used in the District of Columbia, superintends the spending of all moneys by other departments, buys gold and silver, protects Alaskan game, enforces the sponge-fishing laws, operates thousands of miles of leased and government-owned wires, takes care of sick seamen, lends money to the farmers, forecasts the yield of prospective tax changes, regulates the national banks, runs a fleet of motor trucks, conducts a far-flung educational campaign on public health, operates a life-saving service and destroys derelicts at sea.

And that is just the beginning.

A Merchant Finds His Market

BY EARL REEVES

WHENEVER I hear a man beginning ranting about the terrible younger generation I want to put a guiding hand under his elbow and lead him around to have a look at the broad plate glass of my hardware store.

My son Jim came home from college at the end of his Junior year and said he didn't want to go back. Moreover, he wanted to come into the store.

"I thought you wanted to go on and be an engineer," I said.

"Changed my mind," he said. "Make more here. Want to get married."

"How soon can I have a partnership?" Jim asked.

I blinked.

"When you earn it," I said.

"Fair enough," he said. "I'll start now."

I came to have a new respect for my boy: he could get at the heart of things. In support of an argument, he said:

"This has become a commuters' town. It's a different town. You're not selling to this town at all. You're selling to the old town, or what's left of it."

And again:

"We've got to knock the partition out and have that other store room, and put in a plate glass front that lets light in and shows things up. Got to catch the commuters' eyes. I know this community."

I had to grin at that. He said something then, judging by the way I'd seen him lead the strangely clad parade of youngsters.

"All right, you're an expert," I said. "You sell the commuters. I give you a free hand."

"Then I get the other store room?" he said quickly.

I surrendered. Privately I liked the idea of seeing my name across a broader front, I suppose. I didn't think it would make any difference, and I could stand the gaff. But that was only a beginning. Such things happened as:

"Got any fire grates, Dad?"

"Yes, down the cellar somewhere."

"Gonna get 'em up and put 'em in the window."

"Who's getting old-fashioned now, Jim? This town is steam-heated. We don't sell any fire-place stuff any more, not any to speak of."

"No?" he said. "And the town full of folks who have moved out of steam-heated apartments and who'd like to look at a fire."

He not only sold what we had—which he condemned roundly as regards style—but shocked me by putting in a big order, and then again by selling every last one of them.

I needn't go into detail about what happened. The kind of "hardware" I knew got shoved farther and farther back to the rear. Lawn seats, fire screens, scout knives, hunting equipment, fishing tackle, brightly colored kitchen ware, electric washers, electric irons, electric heaters, antiqued iron "baskets" for holding fire-wood, flower-seeds, bulbs, tools for amateur and professional gardeners—

Well, you figure it for yourself. This is a suburban town, but towns are changing everywhere. The motorcar helps make the change; but it is only one of dozens of factors. The change is rapid and the small merchant in any line can fall behind, lose contact in a few years.

Jim saved me. At tremendous expense. I had to trot across to the bank to raise some cash to keep pace with him once. But in three years he's increased our business to such an extent that, based on net earnings, it should be valued at about sixty thousand dollars more today than it was before he came home. Of course it's "our" business: he's a partner. And has given me a grandson besides.

—and at this point, though I had said nothing against the younger generation, the old hardware merchant led me out for a view of the plate glass front that had let light in on his business.

Chapters from the Life of a Pioneer Merchant

By HERBERT ADAMS GIBBONS

JOHAN WANAMAKER presented many sides to the public. He was active in Republican politics in Pennsylvania and served as Postmaster General under Harrison. He was a religious leader, especially in the field of Y. M. C. A. and Sunday School work. But above all he was a pioneer in modern retailing—one of the fathers of the American department store.

It is that side of him that we seek to bring out in these scattered chapters from his life by Herbert Adams Gibbons.

Tower Hall, to which Mr. Gibbons refers, was the largest retail clothing store in Philadelphia where Wanamaker had worked until he was nineteen.

Here is the story of his first venture for himself, presented by special arrangement with the publisher of Mr. Gibbons' book, "John Wanamaker."

—THE EDITOR

I—BEGINNINGS OF A GREAT ADVENTURE

THE TOWER HALL experience impressed upon the youth in his teens the fertility of retail selling as a field of experimenting in new ideas.

The trails to be blazed in merchandising challenged him. He proposed buying a small interest in Tower Hall. Colonel Bennett (the owner of Tower Hall) would have been glad to have his old salesman back, but he wanted no partner. The refusal was the best thing that could have happened.

John's adventurous spirit demanded hardships, hazards, constant uncertainty, the lack of faith of friends, and the bitter and determined opposition of competitors. And it was always to be that way with him.

He turned to his brother-in-law, Nathan Brown, and proposed that they pool their resources of less than \$4,000 to go into the men's clothing business. Nathan agreed. But family friends tried to dissuade them. The time was unpropitious; the capital was insufficient; and what did the youngsters know about running a clothing business, anyway?

George H. Stuart, most intimate of counselors, was greatly troubled. He did not discount his young friend's ability and energy, and he knew that people who waited until they had enough capital never got anywhere in business. But the United States was inevitably drifting into the Civil War. None but an adventurer would have dreamed of starting a new business at such a time. "War is certain," he declared, "and soon grass will be growing on Market Street."

A Slender Capital

NEVERTHELESS in March, 1861, John and Nathan began to figure on store fixtures and initial stock. Before the young partners had a roof over their heads they were compelled to pay \$375 for fixtures and over \$700 for the first stock of cloth. On April 3, when they signed the lease, there was an additional outlay for rent in ad-

vance. The capital was hazardingly small to start a clothing business.

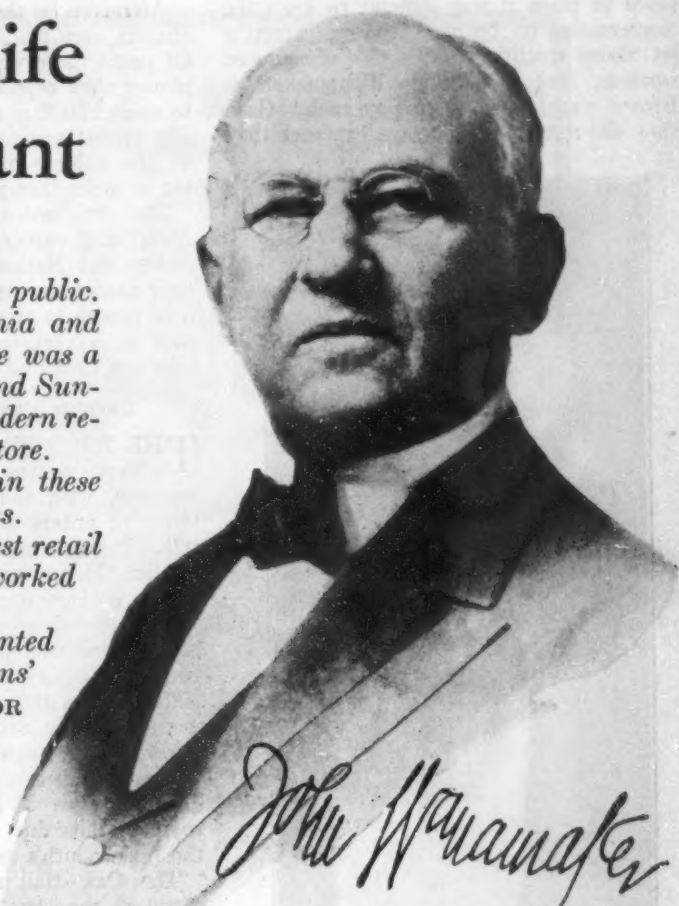
They were lucky in securing a good location, right in the heart of the retail section, which was slowly moving westward. It was the corner shop in the six-story building (so large for the time it was built that it was called McNeille's Folly) at the southeast corner of Sixth and Market Streets, only a few doors west of Tower Hall. J. R. Houghton, one of Bennett's cutters, threw in his lot with them at a salary of \$1,300 for the first year, more than either of his employers had ever earned.

The First Customer

OAK HALL opened its doors for business on Monday morning, April 8. Before the end of the week Fort Sumter had been fired upon and had surrendered, and the following Monday President Lincoln called for 75,000 volunteers for three months. None expected a long war. It was thought that a determined show of force would end the dispute. The South would be taught a lesson by the occupation of Richmond.

The risks which everyone delighted in pointing out to the two "rash young men" were the probability of a temporary suspension of the power or desire to buy and the difficulty of securing credit for any new business. Philadelphia, with its prosperity so largely due to trade with the South, seemed bound to be gravely affected, even if the war did not last long.

On the morning of the opening day, before the sign was up, came the first customer—James Dunlap. The junior partner unrolled bolts of cloth. A pair of trousers was ordered. It was not a suit or an overcoat, to be sure, but it was an order! As



Autograph and last photograph of John Wanamaker

Dunlap walked out, accompanied to the door by the firm, he wished them good luck. At that moment the exit was blocked by the ladder of the painter, putting up

WANAMAKER & BROWN

"How long is it going to stay there?" ventured Dunlap.

He did not live to see it come down and it is still there.

Several others looked at the goods, but there were no more sales that day. Through the window the anxious experimenters watched people pass without so much as a glance at the new store. When the sign was in place it conveyed no meaning. Nathan wanted to "give them time," but he had to agree with John that waiting for what might happen was a risk Wanamaker & Brown could not run. They had to have business right away. Instead of seeking to explain the lack of customers by adverse conditions, Wanamaker declared that the fault lay in the meagerness and unattractive character of the stock.

An Urgent Situation

"WE MUST have goods that will sell right away, and plenty of them, and then we must let people know that we have them," he said.

The next morning the staff of Oak Hall was reduced to the junior partner and the errand boy. The senior partner was off to New York to buy goods, taking Houghton with him.

New York seemed to the two Philadelphians more upset than Philadelphia over the impending war. As they went from

place to place it was difficult to keep the conversation on business. They learned a lot about qualities and styles of summer woollens, but also that Wanamaker & Brown were expected to pay cash. Cash they did not have. To save expenses they



John Wanamaker as he appeared at 19, at the start of his business career

shared a room at a modest hotel on Tuesday night.

The next morning the weary and disheartening round of wholesalers was continued. Finally back at A. T. Stewart & Company, where they had been turned down the day before, William Libbey allowed them to take several hundred dollars' worth of woollens. The terms, thirty days, were almost as bad as spot cash, but it was the best they could do. Bright and early Thursday morning—the day the first shot of the Civil War was fired—the goods from New York were on display.

Orders still failed to come in. A fortunate opportunity presented itself of buying up several lots of ready-made clothing left on the manufacturers' hands through canceled orders. Because they could not otherwise have been sold, wholesalers were willing to let the new firm have them on credit. The first advertisement appeared in the *Public Ledger* on April 27 to announce this bargain stock. It read:

OAK HALL CLOTHING BAZAAR

Southeast corner Sixth & Market Streets. Wanamaker & Brown desire to say to their many friends and the public generally, that they open today with an entire new and complete stock of ready-made clothing; and having purchased their goods under the pressure of the times at very low rates, will sell them accordingly.

JOHN WANAMAKER
Whole Suits For Three Dollars.

Attracted by the low price, scores of purchasers were readily found for the \$3 suits. Of profit there was virtually none, but the money that kept coming in was a godsend to meet bills due at the beginning of May. The advertisement cost \$24. With suits at \$3 the volume of sales had to be pretty big to make that pay.

This was not the way they looked at advertising outlay, however—John Wanamaker and Nathan Brown needed to get their names known. If they could carry on from month to month, investing their ready cash in advertising, the turn-over would take less time and grow in volume.

Surplus Used for Advertising

THE PROBLEM of finding money for advertising was solved by going out after business, with the promise of immediate filling of orders and delivery as the sales talk. It was learned that the Philadelphia Custom House needed uniforms. Wanamaker & Brown got the business. John Wanamaker delivered the suits in a wheelbarrow and was paid cash. On the way back he left his barrow outside the *Inquirer* office and went in to invest most of the money in more advertising. Having ascertained that the rate was the same, he broke up his announcement into half a dozen two-line insertions. It brought in enough trade to meet bills due on May 6 and to pay the first month's salaries.

The Oak Hall account books tell the story of the strictest economy except in increasing stocks and advertising.

The partners did all the work except cutting and sewing. They brought in the goods, broke up the packing boxes for firewood, looked after the stove, swept the store, kept the books, and delivered the orders. The errand boy seems to have been dispensed with. Even luncheon money went into advertising. It is true that the new firm, not having laid in stocks already, was lucky in getting goods that wholesalers could dispose of only in the local market at a substantial reduction, and which John and Nathan were in a position to retail without competing with existing stocks.

It is true that if the wholesalers had not been in straits they would have refused to grant Wanamaker & Brown easy terms. But the greatest handicap in favor of the Oak Hall partners was the very inexperience and youth that everyone thought would work against them. For the new conditions demanded, above all things, unbounded faith and tireless energy.

In the first weeks at Oak Hall the business policy of John Wanamaker was decided upon. He was going to buy all the goods he could and

keep telling the public about what he had to sell. It was hard sledding when they realized that competition on the main thoroughfare of Philadelphia demanded distinctive goods, and that advertising would have to feature variety and quality as well as price.

Moving job lots quickly over the counter was a way to make money, perhaps, but it was drab business—and ephemeral. Just to buy and sell was not Wanamaker's conception of a mercantile career. Making Oak Hall a clearing house for bargains was a danger to be avoided.

At this crisis, at the very beginning of the business, the national tragedy aided Wanamaker & Brown instead of breaking them, as all had predicted.

The Philadelphia volunteers were calling for uniforms in a rush. Wanamaker figured on the back of an envelope, having in mind not profits, but the opportunity to maintain and enlarge his business equipment and strengthen his credit. He secured the contract to clothe the officers of two regiments. This was followed by a contract for overcoats. Space on the floor above was rented, tailors were taken on, and an organization for manufacturing clothing was built up within a few months.

Wanamaker & Brown did not become army contractors on any large scale. From the fact that the sales for the first eight months amounted to only \$24,000 for all Oak Hall's activities, it is probable that Wanamaker & Brown clothed only officers. They did not attempt to create facilities for volume production.

The army contract business required large capital and established manufacturing connections; and with the methods of getting the business Wanamaker did not want to become acquainted. The first years meant "heavy plowing early and late," as Wanamaker put it.

(Other chapters to follow)



Oak Hall, Philadelphia, the theater of Wanamaker's early retail activities



because of
**Dependability, Fine Appearance
 and Economy — *now* the world's
 most Popular Gear-Shift Truck !**

*— at these
 Low Prices!*

1-Ton Truck Stake Body	\$680
1-Ton Truck Panel Body	\$755
1-Ton Truck Cab and Chassis	\$610
1-Ton Truck Chassis	\$495
1/2-Ton Truck Chassis	\$395

All prices f. o. b. Flint, Mich.
 In addition to these low prices
 Chevrolet's delivered prices in-
 clude the lowest handling and
 financing charges available.

In every section of the country Chevrolet Truck sales are breaking all previous records—definitely establishing Chevrolet as the world's most popular gear-shift commercial car.

This decisive preference for Chevrolet is based on a matchless combination of fine appearance, dependability and economy—plus the public's confidence in a product of General Motors.

With a cab enclosure that matches passenger car design in comfort and beauty—with sweeping crown fenders and bullet-type headlamps—the Chevrolet Truck is one of the handsomest haulage-units seen on the streets and highways.

Chevrolet dependability under every condition of usage has long

been traditional; yet recent improvements in the powerful Chevrolet valve-in-head motor—improvements typified by a new AC air cleaner and AC oil filter—have made Chevrolet Trucks even more dependable, with even longer life and more satisfactory performance.

Extremely low consumption of gasoline and oil, combined with day-after-day dependability that reduces maintenance costs to the minimum, makes the Chevrolet Truck the most economical haulage unit available—a fact that has been conclusively proved by the experience of every type of user, from the single truck operator to the largest fleet owner.

If you use trucks in your business, see the nearest Chevrolet dealer!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
 Division of General Motors Corporation

The **WORLD'S LARGEST BUILDER OF GEAR-SHIFT TRUCKS**
 When buying CHEVROLET TRUCKS please mention Nation's Business to the dealer

What the World of Finance Talks Of

BUSINESS men in the United States appear to be growing increasingly introspective. They are searching their own minds and their own behavior more critically than in the past. (This is, of course, a broad general tendency rather than a universal disposition.)

Astute managers are more suspicious than ever in the past of the deceptive lure of prosperous symbols which inspire overexpansion. They are disinclined to kill their markets by unduly speeding up their productive facilities. In many lines manufacturers have been adjusting themselves to the fashion of hand-to-mouth buying, and are making merchandise only on order. They are unwilling to pile up stores of goods in anticipation of future demand, and thus permit a large visible supply to bear their own market.

In the past prosperity frequently ended because the beneficiaries overexploited their opportunities. Manufacturers, doing a good business, increased their productive facilities and in time the factories began to turn out merchandise in excess of the effective demand of ultimate consumers. As soon as the new situation was recognized, merchants and manufacturers, with huge accumulations of merchandise, got frightened, and dumped their goods on the market, depressing prices. Then lenders of credit became alarmed, and pressed their debtors. The cycle of liquidation started in this way, spread from the weak debtors to business men generally.

A sense of restraint on the part of producers, hand-to-mouth buying by distributors, abundant credit and an assurance

By MERRYLE STANLEY RUKEYSER

under the new banking system that in any circumstances solvent borrowers will be taken care of by the banks, though the

prices heighten the prevailing policy of prudence.

THE fashion among the wary is to discount recession, and thus avoid acute smashes. Whatever turns in the cycle of

trade have been anticipated are calmly accepted. The intense crises of the past have resulted from the unpreparedness of business managers for changes of an adverse character. In 1920, for example, in spite of warnings, the majority of operators proceeded serenely and confidently on the naive assumption that the era of inflated commodity prices would be interminable. They were unready for the precipitate slump. In the new frame of mind, adjustments in particular industries have been made quietly and without disturbing the general situation. If the economic foundation had been weaker, such a dramatic incident as the collapse of the Florida land boom could have readily upset the apple cart of national prosperity.

A willingness on the part of producers to let the consumers set the pace for the volume of business is a healthy sign. There would be genuine cause for alarm if manufacturers generally were out to break 1926 peak records at any cost.

GEORGE E. ROBERTS, vice-president of the National City Bank, in commenting on the willingness to show restraint in the face of the 1926 high-water marks, said: "Clearly business generally is still above the normal, and there is nothing in sight to indicate

that it may not go on this way for some time. That it will overtop the record of 1926 seems unlikely in view of the improb-

The Olde WALL STREET ALMANACK

19—

¶ for MAY ¶

—27

SUNDAY, MAY 1.—May Day: The Reds are blue because prosperity has made discontent a scarcity product.

New Moon.

MONDAY, MAY 2.—Low tides, first fall of Meteoric stones at Concord, Ohio, reported.

Consensus of opinion among forecasting services is that stock prices will go lower, if they resist further efforts to advance. Business Will Improve, Unless Recessions Occur. Association For the Carrying of Water on Both Shoulders Denounces Competition from Economists.

TUESDAY, MAY 3.—Bankers assemble non-voting stockholders and explain why enfranchising small investors would be fraught with peril.

WEDNESDAY, MAY 4.—W. Z. Ripley, Harvard economic sage, peruses clippings and discovers he has been dragged from front page to book review section.

In 1906 President Roosevelt, in special message to Congress, announced plans for prosecution of Standard Oil trust.

THURSDAY, MAY 5.—Defying Competitors, Henry Ford Denies Trade Rumor that He Will Put An Extra Spring in the Back Seat of His Car; Not a Philanthropist, He Says. Wall Street accordingly bulls General Motors.

FRIDAY, MAY 6.—Ten stocks, which brokers said could not go lower, decline five points on the average.

SATURDAY, MAY 7.—Reported that Casaba Fruit Company Will Cut Melon.

SUNDAY, MAY 8.—Moon, First Quarter.

MONDAY, MAY 9.—George F. Baker, Grand Old Man of Wall Street, again Declines to Give The Tabloids Interview on Ten Rules For Success.

In 1901, it was suddenly discovered that deliveries of more Northern Pacific stock had been contracted for than could be bought or borrowed; price rose in an hour from 160 to 1,000.

TUESDAY, MAY 10.—Bankers Expected to Offer \$2,000,000 of First and Refunded Bonds of Roger Wolfe Kahn's Le Perroquet de Paris. Texas Guinan Guarantees Principal and Interest by Indorsement.

In 1899 wheat rose to \$1.35 a bushel at Chicago, a price only once exceeded in the previous 30 years.

In 1900 the Populist Party in convention held at Sioux Falls, S. Dak., nominated Bryan on the basis of a demand "for the reopening of the mints of the U. S. for the free and unlimited coinage of silver."

WEDNESDAY, MAY 11.—As a Result of quietude in the Stock Market, W. C. Durant, President Durant Motors, Inc., Gives His Undivided Attention to Manufacturing Problems.

THURSDAY, MAY 12.—Sun rises 4:47 A. M., sets 7:06 P. M.

High Tides at Governors Island: 5:19 A. M., 5:30 P. M.

Lee Higginson & Company, Bankers and Job Providers for Harvard Graduates, Decide Not to Offer Partnerships to McNary and Haugen.

Sold Out Bulls Propose Toast on Hundredth Anniversary of Birth of John Doe Who Discovered that You Can't Go Broke Taking Profits; Rothschilds Contribute to Fund.

FRIDAY, MAY 13.—Customer Owner of American Telephone & Telegraph Company Calls up W. S. Gifford to Suggest Increased Dividend; Gets Busy Number.

SATURDAY, MAY 14.—Anti-Smokers League of America Denounces Charles G. Dawes as Presidential Candidate of the Dunhill Pipe Trust.

Harvard University Issues Data Showing that 97 per cent of the Amateur Margin Speculators Who Buy on "Sure Thing" Tips Lose Their Money.

SUNDAY, MAY 15.—Frost in low grounds near Boston, 1860.

MONDAY, MAY 16.—Full Moon.

Lady Byron died, aged 65, 1860. Bankers Refund Sixteen Junior Issues on Roxy's Talents. Microphone Carried at \$1.

TUESDAY, MAY 17.—Clarence Dillon Nominates F. A. Seiberling For the Hall of Fame.

WEDNESDAY, MAY 18.—E. H. Gary, Moving into New Home on Fifth Avenue, Sees Continued Prosperity.

Edinburgh Chamber of Commerce Passes Resolution Criticising Andrew Carnegie's Decision in 1901 in Insisting on U. S. Steel Bonds instead of Common Stock as Contrary to the True Spirit of the Scotch.

SATURDAY, MAY 21.—Ninth Anniversary of quip that the man who called it near beer was a poor judge of distance.

SUNDAY, MAY 22.—Baby Ruth Takes Over American Sugar Refining Company, is Report.

TUESDAY, MAY 24.—Second anniversary of the denial of the proposed merger of J. P. Morgan & Company and the Great Atlantic and Pacific Tea Company.

Country Startled by Sinister Charge of Minority on Chesapeake & Ohio, that Van Sweringens Show a Profit on Stock Holdings.

Moon, Last Quarter.

WEDNESDAY, MAY 25.—Sun rises 4:35 A. M.; sets 7:19 P. M.

High Tides Governors Island: 2:15 A. M., 3:18 P. M.

Report that France Offers to Accept Mellon-Berenger Debt Settlement Plan if the United States Treasury Will Establish Chairs in Intellectual Debts at Columbia and Princeton Universities.

THURSDAY, MAY 26.—Bankers, Having Recently Returned from Mediterranean Cruises and from Florida, Start Thursday to Tuesday Week-End Season on Long Island.

Stock Market Crashes on Shanghai Cables that Civil Warfare Has Resulted in Ten Per Cent Slump in Consumption of Chewing Gum. Soviet Influence Seen.

Milwaukee, St. Louis, and Cincinnati Indorse Candidacy of Alfred E. Smith.

FRIDAY, MAY 27.—Annual Traffic Jam in English Channel Reported as Swimmers Seek to Better Gertrude Ederle's Record.

SATURDAY, MAY 28.—John Smith Suspended from London Stock Exchange for Appearing on Floor without Silk Hat and Cut-away; Vulgar Influence of Western Markets the Cause, London Statist Charges in Heated Editorial.

SUNDAY, MAY 29.—Major Outflow of Americans to Paris and Other Overseas American Summer Resorts Starts. French Taxi Drivers Begin to Cultivate Fiendish Look and to Develop Skill at Pourboire Grabbing Motion.

Boston Curb, Tightening Rules, Forbids Wash Sales.

In 1920 New York Federal Reserve Bank raised the rediscount rate to 7 per cent.

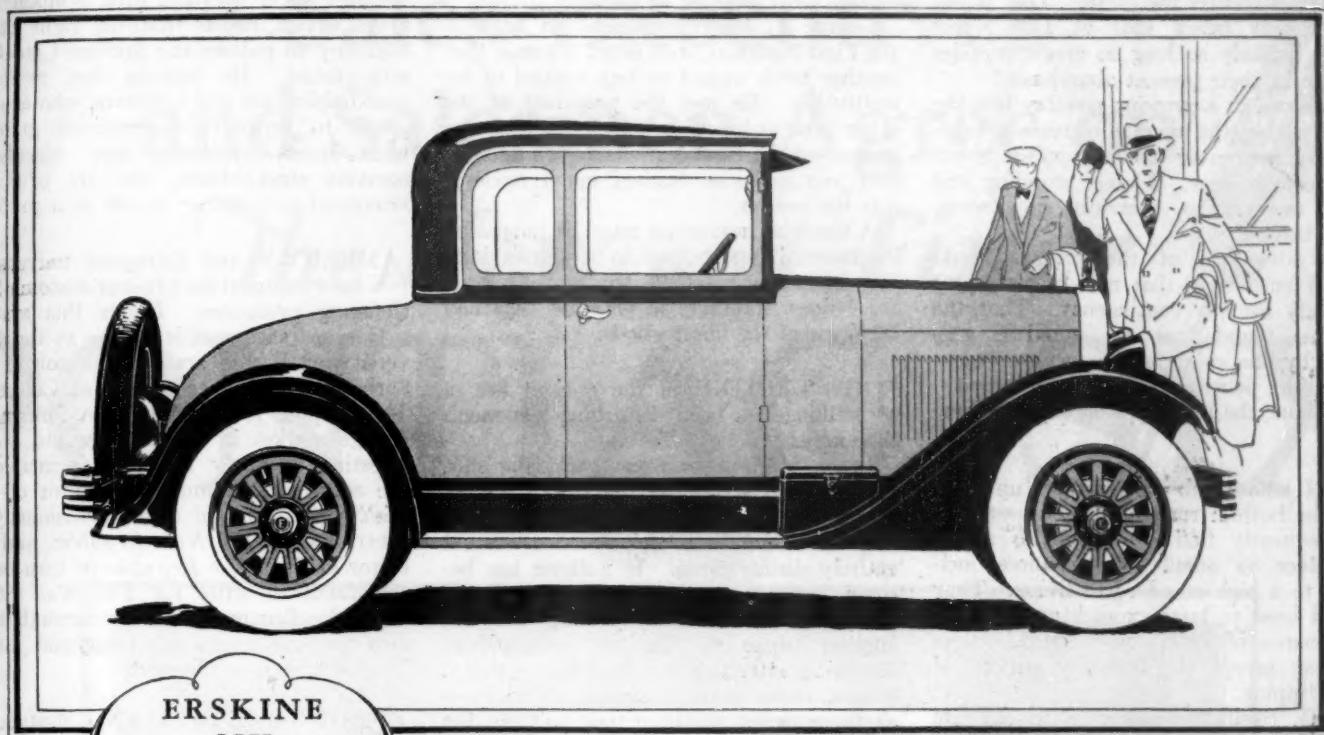
MONDAY, MAY 30.—Eightieth anniversary of discovery that public can make money by buying on breaks and selling on bulges. Seventy-ninth anniversary of first suicide of customer who failed to find any customers' yachts among brokers' regatta at Larchmont.

Fraudulent Promoters Department of the Fort Leavenworth Jail Alumni Seek to Enjoin National Better Business Bureau From Enlightening Suckers; Harmful to Their Vested Interests, They Allege.

TUESDAY, MAY 31.—California Ideal Summer Resort, Says Los Angeles Chamber of Commerce, Urging Tourists Not to Miss Beauties of San Francisco Harbor.

In 1902 end of Boer War.

rate of interest may be high, are the essential factors that are tending to prolong reasonably good times. Falling commodity



**ERSKINE
SIX**
Business Coupe
\$945

*f. o. b. factory, including
front and rear bumpers,
self-energizing 4-wheel
brakes.*

*60 miles per hour
20 to 30 miles to the gallon
5 to 25 m.p.h. in 8½ seconds
Climbs 11% grade in high
Turns in 18-foot radius
Entire rear deck opens to big
baggage compartment*

Equipment—Erskine Six Business Coupe:

Self-energizing four-wheel brakes; bumpers, front and rear; motometer; full size balloon tires; two-beam headlights; oil filter; rear traffic signal light; cowl ventilator; one-piece windshield; thief-proof coincidental lock to ignition and steering; automatic windshield cleaner; rear-vision mirror; hydrostatic gasoline gauge on dash; genuine leather upholstery; large luggage space in rear compartment.

Studebaker presents a *new-type* car for the *new-day* need in business

The business world has been waiting for such a car as the Erskine Six. No big car ever rode with more comfort—no small car ever approached it in riding ease. That's because a springbase equal to four-fifths of the wheelbase cradles the passengers from every shock and jar.

Though compact in size, its interior is so well designed that there is plenty of head and leg-room even for 6-footers. The rear deck lifts to give access to a big baggage compartment.

20 to 30 miles to the gallon

It is most economical to operate—20 to 30 miles per gallon of gas. Fleet as a hare in traffic's tangled mazes, it turns in an 18-foot radius—parks in spaces other cars must pass up.

A wonder for covering the ground. The Erskine delivers 60 miles an hour without effort—accelerates from 5 to 25 mile speed in 8½ seconds—climbs an 11% grade in high.

Steel body—4-wheel brakes

And safe to drive! This Little Aristocrat has an all-steel full-vision body which gives the driver clear view of the road on both sides and in front. Rugged, self-energizing 4-wheel brakes give instant car control at any speed. See the Erskine Business Coupe now—try it with the needs of your men, or yourself, in mind.

ERSKINE SIX

(THE LITTLE ARISTOCRAT)

When buying the ERSKINE SIX please mention Nation's Business to the dealer

ability of a further expansion in the building and automotive industries. That it will fall seriously below that of 1926 seems equally unlikely so long as credit supplies continue in their present abundance."

Of course, in a growing country like the United States, the average increase in business each year over the long pull is about 3 per cent a year. Merely standing still in any one year is, therefore, in a sense, falling behind.

The advantage of the present liquid state of business is that men of commerce are ready for any contingency. That the economic foundations are sound is suggested by the calm in the face of recent disquieting political news from abroad—from China, the Balkans, Mexico, and Nicaragua.

MEN who climb all the way up from the bottom rung of the business ladder frequently find it difficult to adjust themselves to small extravagances incidental to a high standard of living. They can get used to huge expenditures for the maintenance of yachts more quickly than they can accept the ordinary custom of lavish tipping.

W. G. Skelly, president of Skelly Oil Company, and one of the conspicuous independent oil operators, originally worked as a laborer among the derricks and drills. Personal advancement has not dulled his sense of humor.

At a recent visit to New York he was annoyed by the habit of bell boys, maids, and other staff members of the Vanderbilt Hotel of bringing his telegrams to his room one at a time. He sometimes received as many as ten telegrams in the morning. One day a bell boy brought one telegram in the usual manner. Instead of tipping him, Mr. Skelly said, "Son, go and get the other nine, and I will give you half a dollar."

Later the oil operator took an associate to breakfast, and the check was more than \$6. Bran crumbs were served for seventy cents. Mr. Skelly asked the German waiter how the hotel could afford to sell them so cheap. The latter hesitated, and then replied in deadly earnest: "I guess they make it up on the rooms."

EVERY time the annual financial statement of the First National Bank of New York is published and tremendous profits are revealed, the office equipment vendors must writhe in pain. The First National violates all the superficial rules of business success. Marble fronts and gorgeous mahogany interiors are not for it. The bank does not even avail itself of a street entrance. Patrons, who wish to visit the bank, must walk up a flight of stairs. Entering the bank, which is at the corner of Wall Street and Broadway, opposite Trinity Church, the visitor finds no prepossessing surroundings. The stranger might decide that he wants a more progressive looking bank. The furniture in the First National is of the mid-Victorian period. Physically, the bank is sombre and old fashioned. Yet the bank pays 100 per cent dividends on its stock, which at this writing sells for about \$2,900 a share.

There are a thousand banks in the United States with fancier physical accoutrements,

but none which consistently shows so high a rate of earnings on its capital.

George F. Baker, octogenarian head of the First National, once heard a rumor that another bank wished to buy control of his institution. He met the president of the other bank at luncheon, and asked him why he wanted the First National. "To find out how you make so blamed much money," was the answer.

A financial institution must be judged by its financial reports, not by its furnishings. The bucket shops have traditionally been the largest splurgers in Oriental rugs and furniture of the finest woods.

THE DECLINE in the ancient art of walking has been disturbing the men's shoe industry.

In an attempt to come back, the shoe industry has sponsored the slogan, "Walk and be healthy," but apparently the public suspected that the hygienic advice was not entirely disinterested. If walking has become less popular, what is the reason? Possibly the rise of competitive pleasures—another phase of the new competition. Motoring, attending the theaters and movie houses, ocean travel, listening to radios—all these newer pastimes tend to keep the customers off their feet.

Henry Ford and other automobile manufacturers are inclined to believe that the troubles of the shoe industry are due to the fact that it has not followed the example of the motor industry and widened its market by raising quality while lowering prices. Mr. Ford once told me that he thought shoe manufacturers ought to strive for the economies of intense specialization, concentrating on the production of a single size and style. He added, however, that one manufacturer had tried that experiment, and failed. He ascribed the defeat to incompetent management.

There have been signs of improvement in the sole-leather industry. Further reduction of stocks, which has been going on since 1922, brought inventories early in the year to half what they were in the first part of 1922. Prices moved upward in the first quarter, and the volume of production rose to the highest level since the winter of 1925.

WILLIAM L. DEBOST, fortieth president of the New York Chamber of Commerce, who is also head of the Union Dime Savings Bank, told me that according to his observation individuals who regularly visit the savings banks are at least 20 per cent better dressed than the ordinary run of folk. He also believes that shabbily dressed persons have virtually disappeared in the United States. In Europe the average person of humble means does not dress nearly so well—not even in Paris.

EDWARD J. CORNISH, president of the National Lead Company, has recently taken up the cudgels for the preferred stockholders. He enunciates the somewhat novel doctrine that the preferred stockholder is more than a convenience to the corporation, who can be dispensed with as soon as prosperity permits. In the recapitalization of his company, Mr. Cornish,

who as an attorney in Omaha used to debate the free silver question with William Jennings Bryan, insists that the right of his company to redeem the preferred stock be relinquished. He believes that preferred stockholders are real investors, who are disposed to support conscientious management more constantly than speculative common stockholders, who are primarily interested in a chance to sell at a profit.

AMERICAN and European universities have resumed the pre-war custom of exchanging professors. Under this system, a Harvard sage spends a year at the University of Berlin, and a professor of the Sorbonne a semester or two at Columbia. The purpose is to stimulate a foreign exchange market in ideas. It would be interesting to apply the same principle to the editorial sanctum. The editor of *The Wall Street Journal* ought occasionally to contribute to *The New Republic*, and the editor of *The New Republic* in turn ought sometimes to write for *The Wall Street Journal*. Too many editors through their own medium reach only congenial minds. They win no new adherents.

GEORGE EASTMAN, captain of Kodaks, has always had a genius for detail. After looking over the architect's plan several years ago for the theater with 6,000 seats which he was planning to give the city of Rochester, Mr. Eastman indicated general approval, but thought there was room for two more seats in the orchestra.

"Why raise the issue about two seats when there are to be 6,000 in the theater?" queried the architect.

And Mr. Eastman is reported to have replied: "Each extra seat, for which there is ample room, would bring in an additional revenue of 30 cents a show, making sixty cents for the day, or \$3.60 a week, figuring six performances. At the end of the year, the revenue would amount to \$187.20, which, incidentally, is the interest on \$3,120 for a year."

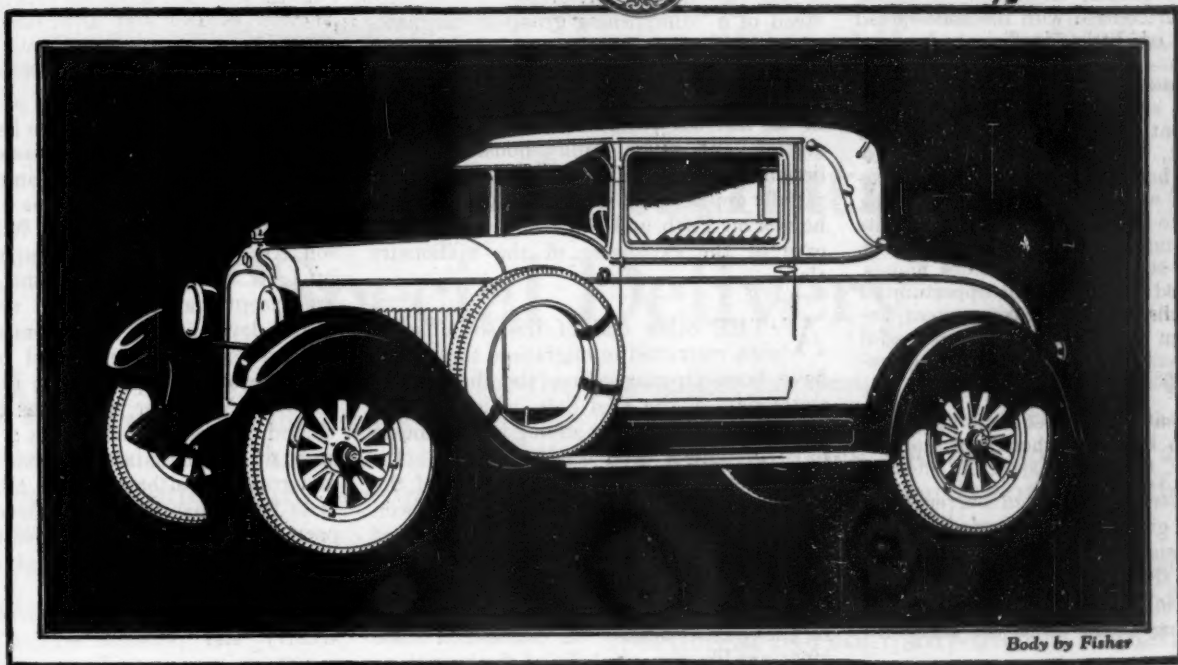
Mr. Eastman by the way is slightly bored by the overproduction of success stories in which every business man who has made money is held out as a hero.

When a turn in the cycle of prosperity occurs, think of the worries of editors of success magazines! By the time the periodicals are on the newsstands the idols who have been sketched may have gone broke in the stock market. Corrective reactions frequently deflate sham reputations.

APPARENTLY, among the 250,000 subscribers to *NATION'S BUSINESS* are some zealous anti-Babbitts. The editor of *Weekly People*, a Socialist Labor publication, which is trying to keep the torch lights of radicalism burning in the United States despite the widely diffused prosperity, seemingly occasionally makes a furtive glance at the contents of this magazine. In a recent issue, which was quoted in *The Sunday World*, New York, the pro-Marxian weekly commented on an excerpt from this department in the February number of *NATION'S BUSINESS* as follows:

The apologists of capitalism who are ever concerned in showing the "impossibilism" of

Sales Executives and Salesmen Agree on *The New and Finer* PONTIAC SIX



Body by Fisher

Sales executives welcome its remarkably low first cost, its operating economy and its long life. They recognize the value of its ability to take their salesmen over the territory and keep them comfortable, happy and eager to do their jobs.

Salesmen want its arresting appearance and its six-cylinder performance. They need its unfailing dependability, its comfort and the unusual convenience the car provides.

That's why the New and Finer Pontiac Six Coupe is meeting such great success as a sales-

COUPE

\$775

men's car. It offers an amazing combination of desirable qualities simply because the vast facilities and purchasing power of General Motors enable Oakland to produce such a car to sell at such low cost.

No matter whether or not you plan to buy new cars for salesmen now, be sure to inspect and drive the

New and Finer Pontiac Six Coupe!

Write to our Commercial Division on your company's letterhead for the details of our special Fleet Users' Plan.

Sedan, \$775; Sport Roadster, (4-pass.) \$775; Sport Cabriolet, (4-pass.) \$835; Landau Sedan, \$895; De Luxe Landau Sedan, \$975; De Luxe Panel Delivery, \$770; De Luxe Screen Delivery, \$760; De Luxe Delivery Chassis, \$585; Oakland Six, \$1025 to \$1295. All prices at factory. Easy to pay on the General Motors Time Payment Plan.

OAKLAND MOTOR CAR COMPANY, PONTIAC, MICHIGAN

When buying the PONTIAC SIX please mention Nation's Business to the dealer

Socialism and in laughing Karl Marx out of the court of appeals of political economy, are fond of "demonstrating" that Karl Marx knew not what he was talking about since he went wrong on his foremost prophecy—the downfall of the middle class.

NATION'S BUSINESS, a magazine issued by the United States Chamber of Commerce not for propaganda among working men but for sound information to business men, does not even bother to apologize to the apologists when in its February number in an article on "What the World of Finance Talks Of" it says:

The prosperity, which has been so widely heralded in published corporate reports, is to a marked extent the prosperity of big business. It has been selective rather than universal. The present era of huge production and unprecedented consumption has been characterized by a heightened spirit of competition, and the large rewards have gone primarily to the most efficient factors in the business community. . . .

These distinctions must be kept in mind, if the favorable annual reports for 1926 which are beginning to become available are to be harmonized with the wide-spread complaints of little, inefficient business men.

In 1927, the emergence of the strong is likely to be even more conspicuous. . . .

The present era is favorable to scientific management, which is capable of eliminating waste, heightening the spirit of co-operation of working men, and of attuning production to demand. Well-financed units capable of mass production, chain stores, department stores, and mail-order houses, are in favored positions. The opportunities for individuals, to an increasing extent, are as hired men in the employ of successful corporations rather than as individual venturers setting up on their own.

Comments on anything so well put, coming out of the highest authority of business in the country, could only spoil the effect.

If disinterested reporting of current economic trends give aid and comfort to the spiritual descendants of Karl Marx, I do not begrudge them their satisfactions. Financial reporting is valueless unless the observer is willing to set down the facts impartially.

IT TAKES less courage to combat dead Socialists than misguided live capitalists. It is my belief that the way for intelligent business men to fight Socialism is through the elimination of abuses, through making business more efficient and more socially useful, through stimulating a further advance in the standard of living, and through democratic cooperation with well-paid working men.

If the decline of the small and inefficient business man, as here disclosed, tends to confirm a major economic prophecy of Karl Marx, there are other significant current tendencies in the United States which indicate that the father of Socialism belonged to the bush league of soothsayers.

Karl Marx has been the victim of his friends as well as of his enemies. He has been as much misunderstood by the public at large as the average man thinks he is by his own family. As a matter of fact, Marx was little concerned with the ethical and sentimental arguments for common ownership. He was a hard-boiled economist, who believed he saw signs that the coming of Socialism was inevitable because

of the alleged approaching decay of capitalism. Karl Marx has been dead for nearly forty-four years, and thus far the coming of Socialism, which he deemed imminent, is, to say the least, behind schedule.

HERE are some of Karl Marx's major forecasts, set side by side with the deadly parallelism of current facts in these United States.

FORECAST: CONCENTRATION OF WEALTH IN THE HANDS OF AN EVER-DIMINISHING GROUP OF MAGNATES OF CAPITAL, ACCOMPANIED BY THE COMPLETE DISAPPEARANCE OF THE MIDDLE CLASS AND THE GENERAL PROLETARIANIZATION OF THE MASSES.

With the growth of big business in the United States, there has come the offsetting factor of the rise of the small investor, who has become a part owner of the great units of production and distribution. In the last decade, the increase in stockholders and bondholders has been many times more rapid than the growth of population. Instead of a "diminishing group of magnates of capital" there has been a bumper crop of new millionaires. In New York, for example, the rapid increase in millionaires in the last ten years has led to traffic congestion, and single family houses on Millionaires' Row—Fifth Avenue—are being rapidly replaced by multi-family apartment houses on Fifth and Park Avenues to take care of the expansion of the millionaire class.

AT THE other end of the social scale, with restricted immigration, the masses have been growing above the dingy, cold water flats of the East Side, which in spite of the real estate boom among better houses have become a drug on the market. Instead of the complete disappearance of the middle class, the middle class has been greatly augmented by the development of employe and customer stockholders, who in increasing numbers have been joining the capitalist classes. Thirty-seven labor banks in the United States, all established since 1920, are likewise symbolic of the growth of economic power of the workers, who, despite Karl Marx's belief to the contrary, have something more to lose than their chains.

FORECAST: INCREASING MISERY OF THE PROLETARIAT ACCOMPANIED BY AN EVER-INCREASING CLASS STRUGGLE.

Proletarians are those who are wholly without economic resources other than their current wage. The statistics of growth of American savings bank, building and loan associations, and life insurance companies refute this prophecy. Working men in the United States in increasing numbers are ceasing to be "proletarians" by virtue of stock purchases, and other accumulations of capital. They are the largest owners also of the 22,000,000 automobiles in operation, the 18,000,000 telephones, the 14,000,000 ice boxes—not to speak of radios, talking machines, small homes, electrical appliances, and the myriad of new comforts which modern business has bequeathed to the masses. The keynote of modern business in the United States is to encourage consumption by the multitudes on a high scale. Without mass consumption the

policy of mass production would be economically suicidal.

As for the ever-increasing class struggle, such new programs of cooperation between organized capital and organized labor as the Baltimore & Ohio plan fail to confirm this dire prediction. The trend is definitely and unmistakably toward a better understanding between capital and labor.

FORECAST: COMMERCIAL CRISES OF EVER-INCREASING MAGNITUDE, DUE TO OVERPRODUCTION.

In the United States, the tendency has been to diminish commercial crises. More scientific management, hand-to-mouth buying, the policy of attuning production to demand, and an improved credit system have caused business to move contrary to Marx's prophecy.

The forecast to which the Socialist Labor organ proudly referred has by no means been completely fulfilled.

FORECAST: RAPID CONCENTRATION OF PRODUCTION IN INDUSTRY AND AGRICULTURE AND THE DISAPPEARANCE OF SMALL INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

Despite the concentration of industry in the United States, agriculture has continued on an intensely individual basis. Such experiments as Thomas D. Campbell's large scale wheat farm in Montana and the cotton enterprises of R. E. Lee Wilson of Wilson, Arkansas, and of the companies headed by L. K. Salsbury of Memphis, Tennessee, are exceptional, rather than typical. The recent development of cooperative marketing agencies has been based on the continuance of small productive units in agriculture. Moreover, there has been in the United States nothing like a disappearance of small industrial and commercial undertakings, although it is true that the little fellow has become relatively less important in this field. And yet numerically small business enterprises still overwhelmingly exceed big units.

Moreover, in the fields where individual artistry and personal service are paramount, such as in millinery, custom tailoring, and dressmaking, the survival of the small one-unit establishments seems beyond reasonable doubt.

THE MORAL of all this is simply that the future is unknowable: a secret of the gods, and even Karl Marx, founder of the religion of Socialism, was not privy to the riddles of the future. As an oracle, he had a low batting average. But he shared this defeat in common with non-Socialistic economists. Scientists in the laboratory and men of vision in executive chairs are bringing about a transformation of economic values of which Adam Smith, David Ricardo, John Stuart Mill, and Walter Bagehot and the whole school of classical and respectable non-Socialistic economists of an earlier period never dreamed was possible.

It is hardly just to denounce the framers of the American Constitution because they failed to make rules for subways, airplanes, automobiles, telegraph systems, and radio communication, and, if *The Weekly People* had not raised the issue, I would not have been disposed to demonstrate that Karl Marx was not infallible.



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Billings, Mont.
Binghamton, N. Y.
Birmingham, Ala.
Bismarck, N. D.
Boston, Mass.
Bronx, N. Y.
Brooklyn, N. Y.
Buffalo, N. Y.
Cairo, Ill.
Camden, N. J.
Cedar Falls, Iowa
Cedar Rapids, Iowa
Charlotte, N. C.
Chattanooga, Tenn.
Cheyenne, Wyo.

Chicago, Ill. (3)
Cincinnati, Ohio
Cleveland, Ohio
Columbia, S. C.
Columbus, Ohio
Council Bluffs, Iowa
Dallas, Texas
Dayton, Ohio
Denver, Colo.
Des Moines, Iowa
Detroit, Mich.
Dubuque, Iowa
Duluth, Minn.
East St. Louis, Ill.
Eau Claire, Wis.
Elmira, N. Y.

El Paso, Tex.
Erie, Pa.
Evansville, Ind.
 Fargo, N. D.
Fort Dodge, Iowa
Fort Wayne, Ind.
Fort Worth, Texas
Gary, Ind.
Grand Forks, N. D.
Grand Rapids, Mich.
Green Bay, Wis.
Harrisburg, Pa.
Helena, Mont.
Houston, Texas
Hutchinson, Kan.
Indianapolis, Ind.
Jackson, Mich.

Jacksonville, Fla.
Jersey City, N. J.
Kankakee, Ill.
Kansas City, Mo.
Knoxville, Tenn.
Lincoln, Neb.
Little Rock, Ark.
Long Island City, N. Y.
Los Angeles, Calif.
Louisville, Ky.
Madison, Wis.
Mankato, Minn.
Mason City, Iowa
Memphis, Tenn.
Milwaukee, Wis.
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Minot, N. D.

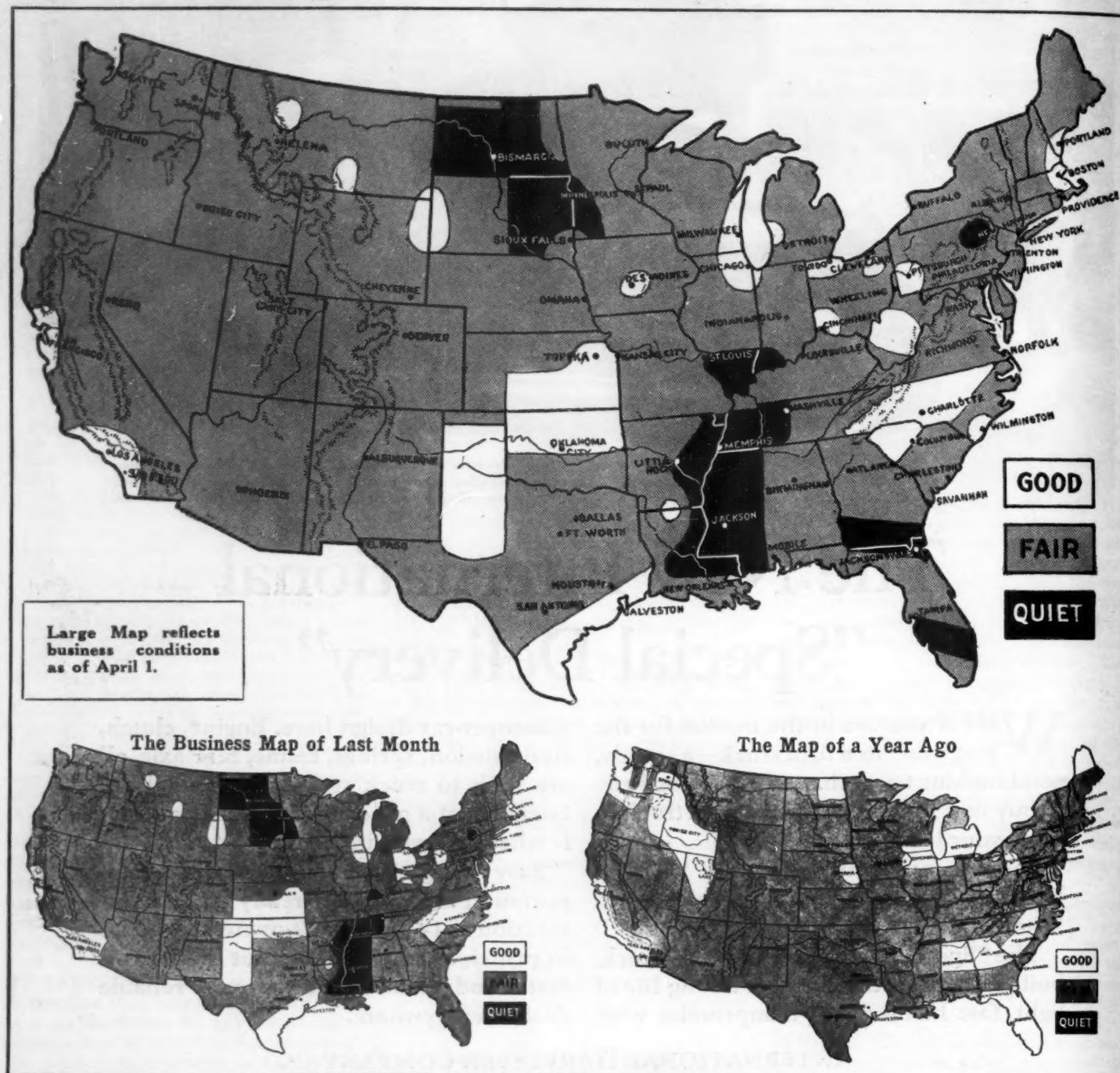
Nashville, Tenn.
Newark, N. J.
New Haven, Conn.
New Orleans, La.
New York, N. Y. (3)
Rockford, Ill.
Saginaw, Mich.
St. Cloud, Minn.
St. Joseph, Mo.
St. Louis, Mo. (2)
Salina, Kan.
Salt Lake City, Utah
San Antonio, Texas
San Diego, Calif.
San Francisco, Calif.
Scranton, Pa.
Shreveport, La.
Sioux City, Iowa

Quincy, Ill.
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Rockford, Ill.
Saginaw, Mich.
St. Cloud, Minn.
St. Joseph, Mo.
St. Louis, Mo. (2)
Salina, Kan.
Salt Lake City, Utah
San Antonio, Texas
San Diego, Calif.
San Francisco, Calif.
Scranton, Pa.
Shreveport, La.
Sioux City, Iowa

Sioux Falls, S. D.
South Bend, Ind.
Spokane, Wash.
Springfield, Ill.
Springfield, Mass.
Springfield, Mo.
Springfield, O.
Syracuse, N. Y.
Terre Haute, Ind.
Toledo, Ohio
Topeka, Kan.
Utica, N. Y.
Watertown, Iowa
Watertown, S. D.
Wichita, Kan.
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The Map of the Nation's Business



MARCH trade and industry partook of the irregularity that has characterized business since the last quarter of 1926. While some gains in distribution were exhibited, as compared with the earlier months of this year, wholesale trade failed to measure up to a year ago, and retailing was somewhat unsatisfactory.

Industry made a relatively better showing, but as a whole hardly reached the level of March, 1926. Mild weather early in March permitted the resumption of outdoor farm work and building sooner than usual, thus helping the employment situation; but frequent rains and comparatively low temperatures later in the month and early in April hampered spring planting and counteracted to a certain extent the influence of Easter buying on retail trade.

High water in some areas interfered with

By **FRANK GREENE**

Managing Editor, "Bradstreet's"

lumbering, and muddy country roads retarded the distribution of goods.

Aided by continued ease in money rates, speculation was active. Transactions on the stock exchange early in April were the broadest ever known and prices generally moved higher, the average price of railroad shares reaching the highest point in more than eighteen years.

These heavy security sales and extensive Government refinancing operations served to lift bank clearings and debits for March above the totals of a year ago, and clearings at New York reached the largest aggregate for any month on record.

Business failures fell slightly below

March a year ago, but liabilities, swelled by numerous bank suspensions, were more than double the total for that month.

The available records of retail trade, these unfortunately not including the business done by the great mass of smaller retailers, illustrate the prevailing irregularity. The chain stores led in the percentage of gain over March a year ago, while the mail-order houses reported a more moderate increase, and the department stores registered a slight decline.

For the first quarter of the year, the chain stores did a business well in excess of a year ago, while the mail-order houses and department stores exhibited small losses.

Few of the well-known indices of trade and industry were on an equality with a year ago for the first three months of the

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A TRUCK FOR EVERY PURPOSE
White Light Delivery
 Model
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Buses
 53-4 Cyl.-16 Pass. \$4,250
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 54-6 Cyl.-29 Pass. 7,500
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THE WHITE COMPANY
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WHITE TRUCKS

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year, declines being shown, with one or two exceptions, by even those measures of movements that made excellent gains in March, such as pig iron and steel ingot production.

It must be remembered, when making comparisons with the first three months of last year, that business in those months was moving at an unusually high rate, so it is not surprising if some lines showed decreases in March from a year ago, while it is worthy of note that a few industrial divisions, steel being among the most prominent, actually registered small gains.

Steel production, indeed, reached the largest monthly total ever recorded, exceeding March a year ago by 1.5 per cent, and the pig iron output was also heavy. Some of this activity in the ferrous metals was probably caused by the desire of consumers to build up their stocks of iron and steel products before the commencement of the strike of union soft coal miners in the Central Competitive Field on April 1.

Steel Buying Heavy

THERE was, however, considerable buying of steel for immediate use, tank plates for the oil fields being a prominent feature. Buying of automobile steels was not up to expectations, this reflecting the lower rate of operations at a few important automobile plants. It was estimated that production of passenger cars and trucks during the first quarter of this year fell about 15 per cent below the like period a year ago.

The tire industry was active, but declined slightly toward the month's end.

Buying of cotton textiles was lighter than in February, but better than in March a year ago and the mills were busy, with more activity at the South than in other areas. Raw silk takings were the heaviest for any month on record. Woolens and worsteds presented a less favorable picture, with numerous reports of slackened output, some small mills being permanently closed. Shoe factories were only moderately active and the best business was done in highly styled lines, staples being quiet.

Under the stimulus of the impending strike, production of bituminous coal was at the highest rate ever recorded for the time of the year, but the commencement of the strike apparently caused little uneasiness in the consuming industries.

Stocks above ground on April 1 were estimated at from 80,000,000 to 90,000,000 tons and it was pointed out that something over 60 per cent of the country's soft coal is produced from non-union mines, so that there could be no immediate fuel shortage. The output of soft coal for the coal year ended April 1 was over 600,000,000 tons, a new high record. Contrasting

with the activity in the bituminous coal fields was the comparative dullness of anthracite mining, under the retarding influence of mild weather.

The heavy movement of coal swelled car loadings, which showed a small decline from a year ago in other traffic. A feature of the car loading reports was the appearance of a "million car week" in the middle of March, two months earlier than in any previous year.

February gross railroad earnings showed a slight gain over a year ago, while net earnings exhibited a considerable increase.

west discussed the advisability of putting the industry on a five-day week for the next few months.

Unusual activity in the new Seminole field and other areas caused overproduction of petroleum, and prices of crude and refined oils were further reduced. Sales of copper were light throughout the month and the other non-ferrous metals were dull, prices, with the exception of tin and zinc, being lower.

The general level of prices, after a slight rise in February, again moved downward in March, the index for April 1 showing a loss of 2.2 per cent since the beginning of the year and of 4.3 per cent from a year ago. Of the important farm products, wheat, flour, hogs and cotton showed declines while corn, oats, barley, cattle and sheep exhibited increases, none of these changes being particularly impressive.

The final ginnings' report on last year's cotton crop showed a drop of about 700,000 bales from the December estimate but still left it the largest crop on record. This decline, with the reported heavy domestic mill consumption and exports, was believed to indicate a carry-over little, if any, in excess of last year's; and fears were expressed that cotton planters might revise their expressed intention to cut their cotton acreages this year.

Cotton Acreage Lower

MOST estimates indicated a decrease of not more than 10 to 15 per cent in the total area to be planted to cotton, as against the reduction of one-third which was widely advocated last Fall. Some cotton was planted in the southern parts of the belt during March, while in other sections farm work was hampered by rain. The mild winter favored the survival of hibernating boll weevils and they were reported to be emerging more numerous in Texas than last year.

Most sections of the country had plenty of moisture, and the winter wheat crop was in good condition except in parts of southwest Kansas, where more rain was needed. The Govern-

ment report on winter wheat showed the condition on April 1 as 84.5 per cent of normal, compared with 84.1 per cent a year ago and 81.8 per cent on December 1, 1926.

The April 1 condition was somewhat below trade estimates, which were for a condition of 86.2 per cent and a probable yield of 582,000,000 bushels, compared with 627,000,000 bushels of winter wheat in 1926.

There will probably be larger acreages of durum wheat, corn, oats and potatoes planted this year than in 1926, while it is expected that the areas seeded to spring wheat, other than durum, rice and sorghums will be smaller. Peanuts were mentioned as being largely substituted for cotton in some southern states.

BUSINESS INDICATORS

Latest month of 1927 compared with same month of 1926, 1925, and 1924

	Latest Month Available	Latest Month 1927 Compared with Same Month 1926	1925	1924
Production and Mill Consumption				
Pig Iron.....	Mar.	101	98	100
Steel Ingots.....	Mar.*	99	106	106
Copper—Mine (U. S.).....	Feb.	101	100	105
Zinc—Primary.....	Feb.	96	110	117
Coal—Bituminous.....	Mar.*	130	161	146
Petroleum.....	Mar.*	126	124	127
Electrical Energy.....	Feb.	109	122	126
Cotton Consumption.....	Feb.	104	107	116
Automobiles.....	Feb.	83	108	82
Rubber Tires.....	Jan.	105	105	116
Cement—Portland.....	Feb.	95	89	86
Construction				
Contracts Awarded (36 States) Dollar Values.....	Mar.	103	124	138
Contracts Awarded (36 States) Square Feet.....	Mar.	101	113	106
Labor				
Factory Employment (U. S.)—F. R. B.....	Feb.	96	98	93
Factory Payroll (U. S.)—F. R. B.....	Feb.	97	100	95
Wages—Per Capita (N. Y.).....	Feb.	103	105	100
Transportation				
Freight Car Loadings.....	Mar.*	104	113	114
Gross Operating Revenues.....	Feb.*	101	102	97
Net Operating Income.....	Feb.*	112	109	99
Trade—Domestic				
Bank Debts—New York City.....	Mar.*	105	131	161
Bank Debts—Outside.....	Mar.*	103	113	125
Business Failures—Number.....	Mar.	108	115	118
Business Failures—Liabilities.....	Mar.	180	170	59
Five and Ten Cent Store Sales—4 Chains.....	Feb.	112	122	137
Department Store Sales—F. R. B.....	Feb.	102	105	104
Mail Order House Sales—2 Houses.....	Mar.	102	115	131
Wholesale Trade—F. R. B.....	Feb.	96	96	94
Trade—Foreign				
Exports.....	Feb.	106	101	102
Imports.....	Feb.	80	93	94
Finance				
Stock Prices—20 Industrials.....	Mar.	109	133	166
Stock Prices—20 Railroads.....	Mar.	119	130	157
Number of Shares Traded In.....	Mar.	93	130	260
Bond Prices—40 Bonds.....	Mar.	103	106	111
Value of Bonds Sold.....	Mar.	130	113	128
New Corporate Capital Issues—Domestic.....	Mar.	141	131	148
Interest Rates—Commercial Paper, 4-6 mos.....	Mar.	93	102	87
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	Feb.	94	91	97
Bradstreet's.....	Mar.	96	92	99
Dun's.....	Mar.	96	94	98
July, 1914 = 100				
Retail Purchasing Power, July, 1924 = 100				
Purchasing Power of the Retail Dollar.....	Feb. 1927	61	59	61
Purchasing Power of the Clothing Dollar.....	Feb. 1927	58	57	58
Purchasing Power of the Food Dollar.....	Feb. 1927	64	62	66
Purchasing Power of the Rent Dollar.....	Feb. 1927	58	57	55

*Preliminary.

Prepared for *Nation's Business* by General Statistical Department, Western Electric Company, Inc.

Better weather in February of this year, with consequently lower operating expenses, was given as the reason for the greater gain in net income.

In addition to the automobile industry, already mentioned, declines were registered by building and lumbering. The value of building permitted for during March showed a drop of 10.8 per cent from a year ago, this following an increase of 5.5 per cent in February. For the first quarter of the year, a decline of 6.1 per cent was indicated. The decrease was not universal, however, as nearly half of the cities reporting showed gains.

Lumber production was further reduced, and some mill owners in the Pacific north-

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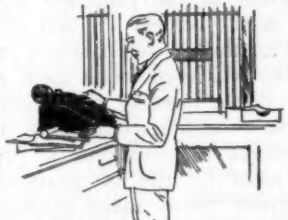
Professional men of all kinds consider the Burroughs Portable an ideal figuring machine for both office and home.



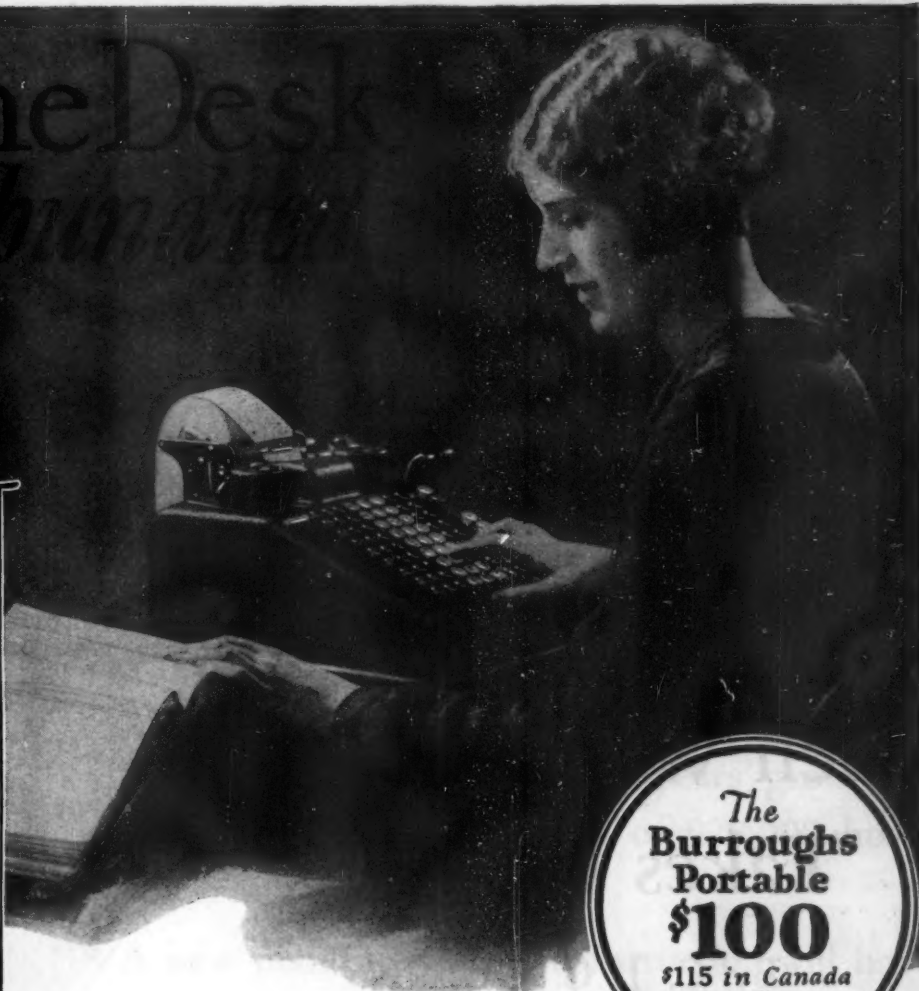
Manufacturing concerns and large firms find that these machines in every department, save time and eliminate errors.



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Over 62,000 Burroughs Portable Adding Machines are now in the hands of satisfied owners in every type and size of business. Thousands of Portables are on the counters of large and small retailers. Hundreds of wholesalers use them. They are to be found in professional offices and on the individual desks of large manufacturing concerns.

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When World Business Takes Counsel

By C. J. C. QUINN

Manager American Section, International Chamber of Commerce



THE HUGE but crowded Concert Hall hushes to silence as eleven o'clock strikes and a white-bearded figure with the perfect mask of a Viking rises to speak.

It is easy to recognize K. A. Wallenberg. It is impossible to forget him. Ex-Minister of Foreign Affairs and one of Sweden's great bankers and business men, he typifies true Nordic ruggedness and force.

He is speaking now. With grave and stately courtesy he is welcoming the business men of forty nations to Stockholm and to Sweden. He is paying a moving tribute to the memory of Walter Leaf, scholar and banker. He is introducing Sir Alan Anderson, deputy governor of the Bank of England, steamship owner and railroad director.

The group at the speaker's table epitomizes world business. Von Mendelssohn, head of the great Berlin banking house which bears his family name, Pirelli, the brilliant Italian member of the Dawes Committee, Duchemin, the du Pont of France, Despret, president of the Bank of Brussels and one of the financial kings of Belgium.

Wallenberg finishes. Sir Alan Anderson rises to a burst of applause. The Fourth General Congress of the International Chamber of Commerce has begun.

This may be forecasting instead of broadcasting but it is just about the scene that will unfold itself in Stockholm on the morning of June 27. Germans, Argentinians,

Czechs, Roumanians, Australians, Spaniards, business men of forty nations will be there to discuss their common problems, to learn what their foreign colleagues are thinking of, to pool their knowledge and experience in an effort to better the relations of international business. And in this modern world business knows no frontiers and trade has forgotten the limitations of geography.

United States Well Represented

THE United States will be represented by an important group. Landing from the *George Washington* at Bremerhaven on the Friday before, they will have come north in a special train, ferried across the Baltic to speed through Sweden in daylight and give the majority of the travelers their first glimpse of Scandinavia.

The American group will not only represent the Eastern States. It will represent not only banking, not only manufacturing, not only trade. It will group all interests and all sections for effective American participation, with a mandate of influence and representation.

Germany will be represented for the first time at a General Meeting of the Chamber and some 200 of her leading business men will have trekked north to show their colleagues that Germany is in the International Chamber, in to work and in to stay.

And these two important delegations will be matched by equally important groups

The city of Stockholm, where the International Chamber of Commerce will convene for its Fourth General Congress, June 27. Below, the Concert Hall, where the masters of the world's business will meet

from the other great commercial nations to form a world forum of business, a congress with no political inhibitions, talking the universal language of business which saves it from the Babel of misunderstanding. These are the men who will gather in Stockholm on the morning of June 27.

In the afternoon the scene shifts to the magnificent Parliament buildings, turned over to the Chamber for its business sessions, and it is there that each morning and afternoon the business men of the world in group and general sessions will turn their attention to the problems affecting them and in the correct solution of which they have an obvious and common interest.

They will have before them, as the major topic of the meeting, the subject of "Trade Barriers" with its numerous, intricate and important ramifications, a subject whose treatment by the International Chamber has given rise to many misunderstandings.

It is not a concerted drive against the American tariff. Its treatment of the acknowledged thorny question of tariffs is almost wholly from the viewpoint of the continent of Europe, where prohibitions and restrictions and tariffs corrugate an

economic interdependent continent and strangle reviving trade and commerce.

The business men of Europe realize that the situation is serious, that it cries for remedy, that economic chauvinism has hurt and hindered and stifled trade. They have spoken their minds freely and frankly in the preliminary report of the International Chamber on Trade Barriers, which will be presented to the International Economic Conference. Parenthetically it may be added that this report has been accepted as one of the major documents of the Conference and that the Chamber has been invited to participate in the Conference on the same basis as the several governments—a recognition of its rôle as the single representative organization of world business.

Equally freely and frankly the American group has spoken its mind on the subject of tariffs. Their report to the Central Committee on Trade Barriers contains these candid comments:

"The immediate problems would seem to center on an adjustment of the dislocated economic machinery of Europe, before touching the relations of that area to other areas. The economic restoration of Europe is of first importance, not only to Europe but to the rest of the world. It therefore seems both logical and desirable, in considering the problems under review by the Trade Barriers' Committee, to distinguish those of European focus from those of wider application.

Puzzling Trade Barriers

"WE are in general agreement with the recommendations and proposals of the report as to existing barriers to trade in Europe. It is generally acknowledged that the absence of trade barriers throughout our whole area, nearly as large as Europe itself, renders unnecessary in the United States many of the steps desirable in Europe. Instructed by our own experience, the American Committee feel that substantially similar freedom of commerce and trade in Europe would inevitably result in benefit to the European peoples.

"On the other hand, we believe we accurately reflect general business opinion in this country when we state that the United States is strongly committed to the principle that our high standards of living and wage scales require tariff protection to preserve them so long as such great disparity exists between them and other standards of living and wage scales."

Quite apart from the question of tariffs the canopy of Trade Barriers covers a group of important questions more than justifying its choice as the head liner. Prohibitions of importation and exportation, export taxes and restrictions on production and export of raw materials, legal and fiscal treatment of foreign nationals and corporations, the most-favored-nation clause in commercial treaty policy, discriminations in tariff treatment, uniform customs nomenclature, obstacles to transportation by rail and by sea, unnecessary and unreasonable customs regulations and procedure and a mass of other related subjects. And these questions of real importance to the business world will be considered and discussed, as they have been studied for eighteen months in preparation, not by academic

Anticipating California's Future Growth



O meet the growth in California, the Southern California Edison Company added 429,000 horse power between 1921 and 1925.

This increase is 114% compared with 54% for the whole country in the same five-year period.

The company's present capacity is 807,000 horse power and another five years' growth at this rate will see a demand of 920,000 horse power more.

A new plant now under construction will have the world's largest electric generators, the world's largest tandem compound turbines and the world's largest horizontal water tube boilers. It is designed for an ultimate capacity of 1,000,000 horse power.

This is the sixth time Southern California Edison Company has employed Stone & Webster construction service in its program of extension.

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SWIFTLY the Erie salesman strikes any one of 39 rich markets—snaps back to Erie overnight—flashes away again next morning! He gives customers the constant, careful attention short order buying demands.

This "close in" market

48 million people live within a 400-mile circle surrounding Erie. Here are 7 of the country's greatest metropolitan centers—39 of the 80 big American cities of over 100,000 population.

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theorists, not by uninitiated students, but by the men who ship goods to the world, who have foreign branches and agencies dotting the globe, who buy raw materials over the seven seas—the men who know.

It is not only to Trade Barriers, all inclusive as the title seems, that they will direct their attention and their experience and their knowledge.

They will have before them the work of the committee on standardization of commercial letters of credit—standard forms of letters of credit and internationally uniform interpretation of terms and conditions. It has already been accomplished nationally in several countries. At the suggestion of the American group the International Chamber is attempting its international extension. It is a wholly practical work—a real contribution to simplification and betterment of international business. The draft regulations which will be presented to the Stockholm Congress can there be given the acid test of practicability and soundness by the men of forty nations who have daily first-hand experience on which to base their judgment.

Makers to Talk of Patents

THE international protection of patents and trade-marks is a difficult problem but no one is better fitted to express a judgment on this troublesome question than the men who manufacture goods for the markets of the world and the men who buy their wares. It is to these men that certain aspects of the problem will be presented by an international committee of experts, a committee which no single individual concern could possibly persuade or afford to assemble.

Highway Transportation will have an important place on the program with an opportunity of putting before an audience of influence and weight the thesis that the motor car is not merely a luxury but an important economic factor as a unit of transportation—a point of view which has not yet gained universal acceptance. Financing of highways, coordination of highways and other transportation, city highway planning and safety will be among the subjects discussed at this group session.

On the basis of the practical experience of the International Chamber's Court of Commercial Arbitration, which has already handled 162 cases of international business dispute, the Congress will be asked to ratify certain changes in rules and procedure which practice has shown are desirable and which the Executive Committee of the Court, made up of the men who actually run the arbitration work, are proposing to the Chamber for adoption.

"Communications" has been added to the program with a view to mobilizing the business opinion of the world in support of a demand for rapid, accurate and cheap communications as essential to the full development of international trade. Though the analogy is perhaps faulty it is a plea for the application of the principle of mass production to international communications.

This lists but a few of the subjects of the meeting to which should be added bills of lading, international rail rates, through rail and air documents, international air mails, international private air law, double

taxation, bills of exchange, International Settlements, enforcement of foreign judgments, and other related subjects.

It is a formidable program, but long and careful preparation by competent committees, common interests, and common knowledge on the part of those in attendance, a spirit of cooperation in the attainment of a common goal—these considerations give real promise of tangible accomplishment.

Apart from the formal business sessions a series of luncheons have been arranged so that the business men in attendance may informally meet those with similar interests to establish contact, to exchange experience, and to lay the basis of that understanding and confidence which has characterized the work of those associated with the International Chamber. The Grand Hotel, the Rosenbad, the Opera Kallaren, the Restaurant of the Company of the North will at noon on the days of the Congress see business men of all the member nations informally assembled at these luncheons which were inaugurated at the Brussels meeting in 1925 with such a signal success. Picture an American manufacturer at one of these luncheons seated between a German and an Italian manufacturer, whom he will probably discover speak extraordinarily good English. Picture the three discussing a common problem of production—lunching together on the vine-clad and flower-decked terrace of the Grand Hotel, facing the Royal Palace across the waters of the Norrstrom. It's understandable that the resistance of nationality crumbles, isn't it?

It will be a busy and crowded week, that week of June 27 in Stockholm. But it will not be all work and no play. The Swedes, with the hospitality for which they are deservedly noted, have provided against such a contingency.

Nature will help. Gay and gorgeous Stockholm, the city built on thirteen islands, the "Venice of the North," will be at its best in those June days and white nights that are never dark.

A Meeting with Regal Settings

THE city of Stockholm will throw open its magnificent town hall, built along the water's edge, to the delegates for dinner and dancing on the night of the twenty-ninth. The King of Sweden will receive the delegates at a tea at the Royal Palace on the opening day of the Congress. The Swedish National Committee of the International Chamber of Commerce will give a reception and dance that same evening, and a formal dinner on Friday night. And two evenings have been left open for steamer excursions across the waters of the Skar-gård, dotted with thousands of small islands, leaving Stockholm late in the afternoon, dining at the famous open air restaurants of Saltsjobaden or Haselbacken and returning in the soft clear twilight of the white nights.

The beauty and charm of Stockholm will leave an indelible memory, just as the Congress itself will mark another milestone in the growth of the International Chamber of Commerce, and another signal contribution on the part of the business men of the world to a sane and sensible solution of the economic problems which harass the world.

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IN plants where certain vital machine parts must come in contact with destructive acids—there *genuine* STAINLESS can probably save you costly replacements—can save you expensive time losses while such replacements are tying up production.

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Let us send you our booklet *Stainless in Industry* which gives in detail the wonderful physical properties of *genuine* STAINLESS—and then see if there are not several important ways in which STAINLESS can serve you.



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In the lap of the Rockies

IN THE trough between the Cascades and the Bitter Root Mountains spreads an enormous vale, the size of France, tilted southwestward to meet the warm Pacific winds. Through this vale flows the Columbia River and its rushing tributaries. Richly blooming valleys, famous throughout the world, open into it; and more than seventy lakes of dazzling beauty are scattered like lambent jewels among the tumbled velvet and silver of the mountains that hem it in.

This is the famous Inland Empire! In the heart of it rises Spokane, its shining metropolis. And here are factors that make it great:

POWER. Spokane River alone developing 172,000 H.P. Billions of potential horse-power charging unchained away to sea. Priest Rapids Dam and Columbia River Project, both planned to surpass Muscle Shoals.

AGRICULTURE. One-fifth the Nation's boxed apples. One-tenth the Nation's wheat. Last year's new wealth of farm crops, \$250,000,000. Orchards, \$50,000,000. Famous valleys of amazing fertility; and far greater valleys waiting to be tilled!

TIMBER. Thirty-five million acres of virgin timberland, including largest stand of white pine in the world.

MINERALS. The center of probably the richest mineral region known. Already producing one-third the Nation's magnesite; over one-third the Nation's lead; large quantities of silver, gold, zinc. New mineral wealth last year, \$65,000,000. Close contact with the copper region of Butte.

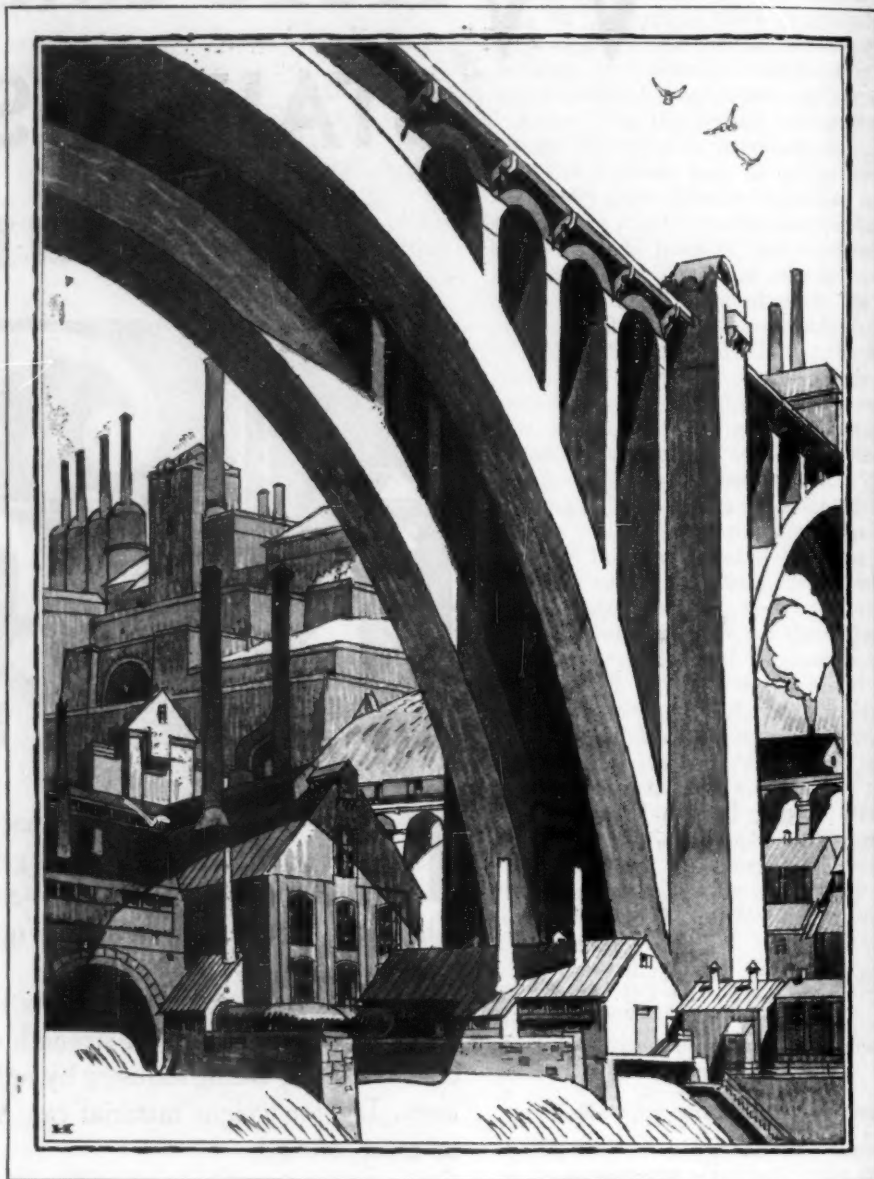
TRADE. Spokane, regional center for 63 cities and towns, distributing to 1,500,000 inhabitants. Annual wholesale and jobbing volume totaling \$200,000,000. Greatest production of white pine timber in the country.

TRANSPORTATION. All resources easily reached by railroad, river and highway. Ten thousand miles of improved roadway winding through the valleys and mountains. The trunk line of the Chicago, Milwaukee & St. Paul passing through the heart of it; and spur lines reaching out as feeders.

A generation ago the Inland Empire was virtually a wilderness. But it has shared with the Olympic Northwest in an uninterrupted growth *five times faster than the Nation as a whole!* With the marvelous maritime region of Puget Sound to the west, with the tremendous resources of Industrial Montana to the east, with its own inestimable richness of soil, of mineral deposits, of timber resources, of white power, of an incomparable climate, the already famous Inland Empire is destined to become the center of a much vaster industrial and agricultural dominion.

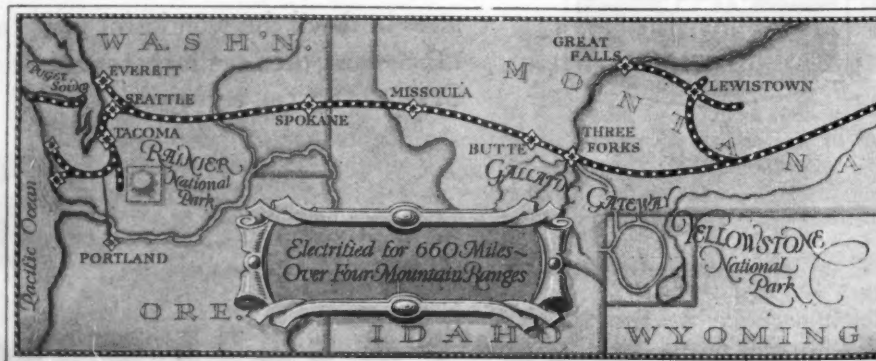
Lombardy in the Northwest

Like Lombardy, ringed with Alpine peaks and tilted towards the warm scented winds of the Mediterranean, the Inland Empire is a land-locked vale strongly influenced by the warm breezes from the Pacific Ocean. Like Lombardy, but as large as all France! In the west Rainier lifts its glacier-crested peak. To the north and west stretch glorious wildernesses of mountain and primeval forest. Through enormous fertile valleys, blossoming with apricot, melons, grapes, apples, pears, plums, peaches, alfalfa, wheat, rushes the mighty Columbia under claret-colored headlands.



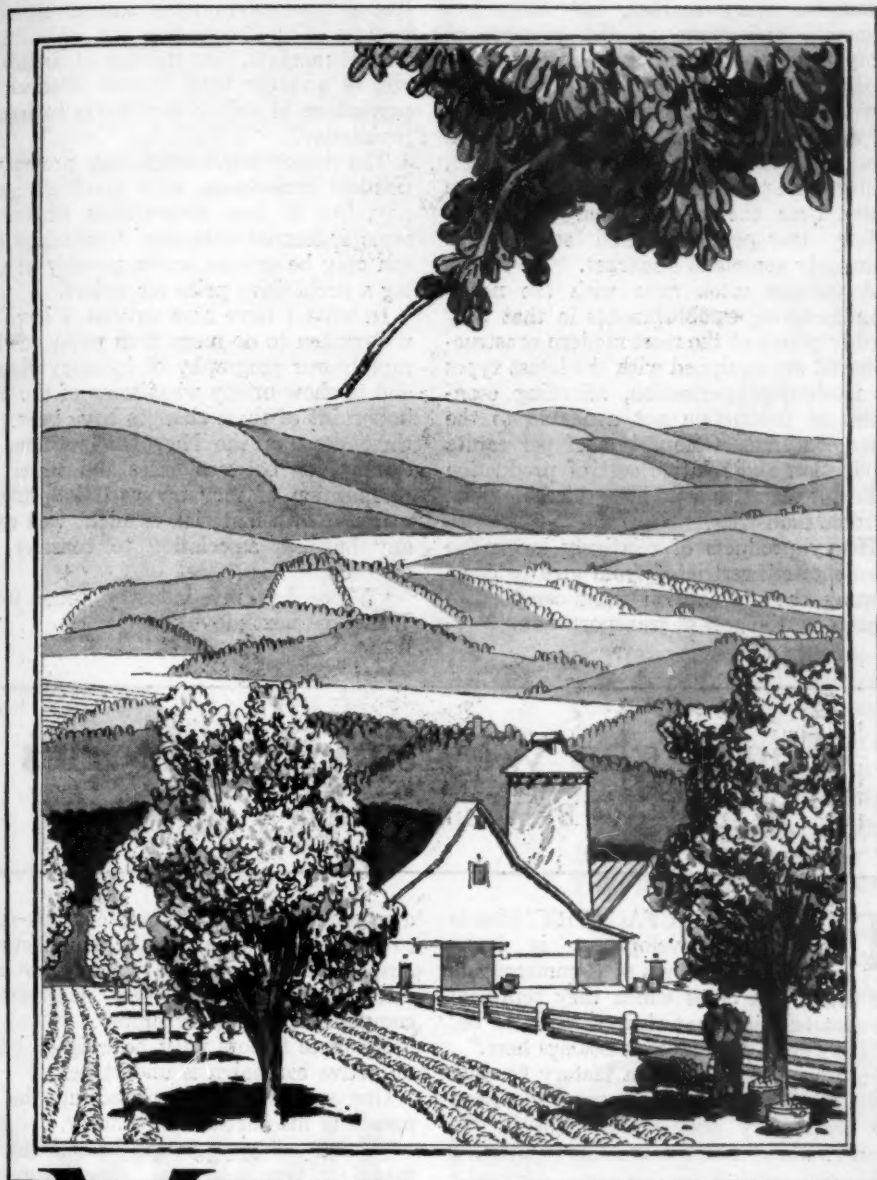
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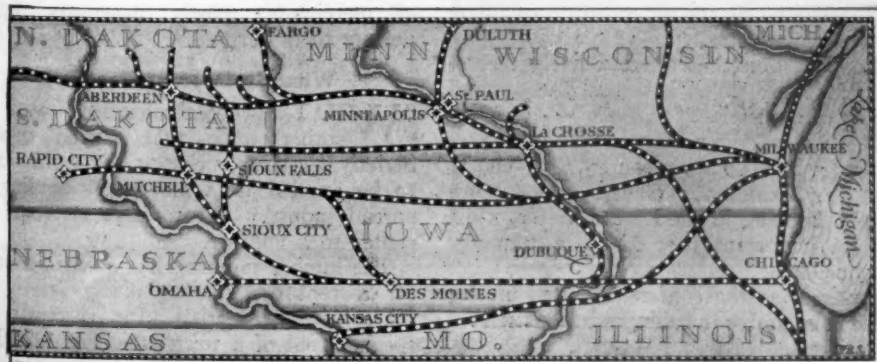


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It is like a great artery along which flows the life-blood of a waking giant. Farm implements, machinery, tools, seeds, pure-bred stock, and people pour through it, giving energy and life. Pulsing back comes the flow of raw products upon which the giant industrial centers of the East are fed.

Far-sighted industrial and commercial leaders are already planning for the great trend towards the Pacific. The Pacific Northwest now leads the Coast in commerce. *And the Chicago, Milwaukee & St. Paul is the shortest link with the Pacific Northwest and the Far East!*

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When you make your western trip, take this wonderful route. You will see the most diversified scenery in America—the golden plains—lush dairy country—three of the greatest rivers in the world—four tremendous mountain ranges: the Belt, the Bitter Root, the Rocky, and the Cascade Mountains—the glories of Puget Sound—truly an empire bursting ripe with opportunities!

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Besides an adequate and practically unlimited supply of the raw materials—not only those grown, mined, or produced within 50 to 100 miles of New Orleans but such as can be brought at lowest cost from across the seas, its magnificent transportation facilities, with its 8 great trunk railroads, waterways reaching 40 states of the Union, Industrial Canal, Public Belt System and Public Wharf System permitting quick, efficient, and low-cost distribution—make New Orleans the ideal center for the location of great manufacturing enterprises. Likewise Labor can live cheaper in New Orleans and it is one of the country's most satisfactory labor centers. New Orleans also offers unusual financial advantages due to the fact it is a great metropolis. Information about the possibility of profit for any industry will be supplied by the New Orleans Association of Commerce. Address Room 202.

NEW ORLEANS
ASSOCIATION OF COMMERCE

Where production costs are lower

The Changing Map of Industry

(Continued from page 17)

of competition of products from every source in every market, but there are economic limitations to the amount of competitive cost any market can absorb.

Mounting costs of distribution reflect the increasing price paid for uneconomic selling, shipping and handling of goods. When products possess the same relative value, utility and consumer satisfaction, those which bear the least burden of cost of selling, transportation, and service will ultimately command a market.

Advantage often rests with the newer manufacturing establishments in that they occupy plants of the most modern construction and are equipped with the latest types of mechanical perfection, affording economies of production not available to the older concerns. Comparison of per capita production and relative cost of production indicates that this is no inconsiderable item, in some industries.

Heavy products of relatively low value are definitely restricted from greatly overlapping the distribution from competitive centers by the cost of transportation.

An increasing number of industries are finding themselves in a similar situation, because of the advancing cost of selling in distant markets. As the size of orders decreases and the total volume declines the percentage of selling cost tends to become prohibitive.

The domestic industrial map presents no political boundaries with tariff duties to pay, but it does nevertheless present to some industries economic boundaries that can only be crossed under penalty of paying a prohibitive price for orders.

In what I have here written, I have not undertaken to do more than point out how rapidly our geography of industry changes and to show briefly what some of the more important of these changes have been. In these days of the New Competition, the competition between cities and states, the competition of industry with industry, of material with material, it might well repay any business association to consider this question:

"Where has my industry come from? What's its next move?"

The Right Way to Get Factories

By WARREN BISHOP

THE "GO GET A FACTORY" idea in community development is losing ground. Chambers of Commerce and the towns and cities which they represent are fast learning that their cry should be: "Let's get a factory that belongs here."

In other words, unless a factory fits into the community, unless it prospers there and the community prospers through it, the town is worse, not better off, for the new industry.

Getting Factories, the Topic

IT WAS with this idea in mind and the desire to discuss purposes and methods in industrial developments of communities that some sixty industrial bureau managers met recently at the Chamber of Commerce of the United States for an informal interchange of opinions.

One question that aroused lively discussion was this: "Who is behind the demand for more industries?"

If we say, "Our city needs more factories," whom do we mean by "our city"? Is it an unanimous demand or are we simply listening to the loudest voices, while a more important part of the community remains silent?

Speakers at the conference listed among those most active in calling for industries:

- Retailers.
- Real estate dealers.
- Power companies.
- Bankers.

Their interest, it was pointed out, is plain. They all want more population in

any community. Less insistent but much to be reckoned with, are the manufacturers already in the community who must consider new industries from questions of competition, and labor supply.

All these factors must be weighed before an active campaign is undertaken.

One speaker thus summed up the demands in his part of the country.

"There are two groups behind the demand for new industries. One group consists of those who feel that we need more industries to give employment to people. The other group consists of those who want more industries because they want more customers. As a matter of fact, they usually get left on that score. They get the additional wage earners and also an influx of merchants, mostly itinerants, which defeats their purpose."

What Is Decentralization?

"WHAT is decentralization" was another topic that stirred debate. Strictly speaking, perhaps the word ought to be applied to a movement tending to spread industry out to take it from one center to a number.

The lumber industry has been in motion for a century, keeping always near the source of raw materials. Inadvertently one speaker told of a town which in 1888 had 47 saw mills and in 1910 had none. Is that a migration or a decentralization? Probably migration is a better word.

Shoes were nearly all made in New England at one time. Now they are made



The Forks of The Road

Lower prices, and ever lower prices, bring salesmen in dejected. Many an able manufacturer hesitates. "Which way shall I turn in today's struggle for business? To meet competitive prices may be unprofitable—not to meet them may be disastrous."

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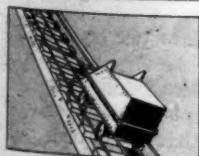
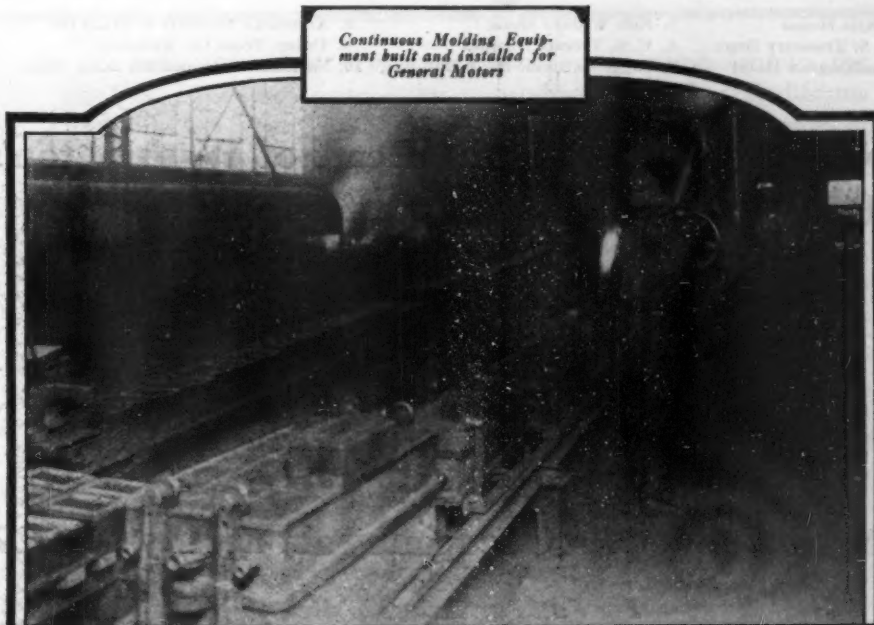
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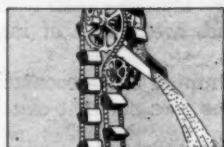
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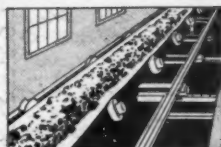
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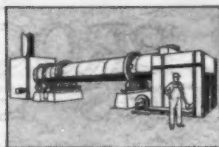
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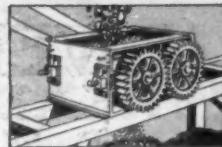
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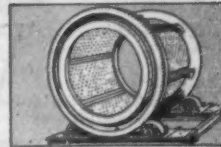
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in many other places. Migration or decentralization? Decentralization is the better term.

It is with decentralization in its stricter sense, in the sense of a diffusion of industry that factory-hungry communities are most concerned. As one cynical speaker put it:

"We are not talking about decentralization of industry. We are all talking about centralization of industry in our own particular community."

It was brought out that decentralization affects communities in three ways:

Industries move bodily from one community to another.

Industries open branches at new points. Industries are built up where none existed before.

Getting Down to Cases

SOME of the speakers seemed to feel that the second and third movements were more desirable to a community, yet it was pointed out that new plants in many industries simply add to an already swollen productive capacity. One industrial bureau manager told of a manufacturer who asked that his coming be not heralded since it could result in propaganda that there was already an over supply of his product and make difficult the sale of his securities.

The removal outright of an industry from one community to another is the most spectacular but perhaps in the long run the least effective form of industrial growth. In a check up for 1926 by the Organization Service of the National Chamber for 87 communities, 618 new plants were reported. Of these 432 were new, 98 were branch plants and 88 were removals. Some communities, however, because of geographical position, thrive largely because of branches. One borough of New York City reports that 85 per cent of its industries are branches.

Wherever an industry is moved bodily, a gap is left in some town and some communities are finding it worth while to inquire into "Why plants leave home."

Two main factors seem to cause removals—factors other than inducements offered by the community to which the move is made:

Large individual industries which merchandise nationally and seek to get nearer their markets.

A tendency to leave larger cities for smaller towns, usually in order to bring about reductions in labor costs or plant investment costs. The upward tendency of city real estate values seems to force some industries into smaller places.

A specific instance was that of a large manufacturing plant of printing machinery which is considering leaving a very large city for a small town in the same state. Engineers have told the officers of the company that production would be more profitable in a factory all on one floor and ground floor factories don't thrive where land values are talked of in dollars per square foot.

Granted that decentralization in all three forms goes on, that existing plants move or open new branches and that new ones spring up, what can the community wisely do to get its share (or more than its share) of industry.

Two things seem to be generally agreed on—that no community can successfully embark on a program of industrial expansion unless it has fully marshalled its facts and that the day of flat bonus giving is passing. The representative of at least one community admitted flatly that it gave bonuses at least to the extent of taking stock in a new enterprise in the name of the chamber.

Various forms of aid other than outright giving of bonuses are in use and successfully. One instance cited was of erecting with local money a building for a new plant to be paid for over a period of years.

In other cities various forms of financing corporations have been started. In still others efforts are made to bring the new industry in touch with local financial interests, perhaps a committee of bankers.

A Means of Financing

ONE city which formerly gave bonuses now has an industrial corporation which makes building loans or working capital loans to new industries.

All these and other ways of aiding new industries were recognized but it was the opinion of most of the experts at the conference that neither the outright bonus nor the remission of taxes was a satisfactory way of attracting industries.

Some of the problems which confront those who seek to stimulate a community's industrial growth have here been outlined. There is another side of the Industrial Bureau's work which is taking its place alongside the task of bringing in new industries. That's the job of aiding already existing industries and most often that takes the form of interesting capital.

In a New England city largely devoted to shoe manufacture the aid took this interesting form:

Two and a half years ago one of the city's 120 shoe factories went into bankruptcy. One of the men connected with it went among the workers in the company and got them to use some of their savings. He raised \$35,000. Today the factory is running successfully and a dozen others are running on the same basis.

Qualities of Success

I ASKED two famous executives to define the qualities that make an executive successful.

"The main thing," said one, "is to know whom to believe. An executive must rely upon his assistants, but if one is sometimes a liar, or unintentionally exaggerates, and the boss doesn't know this, he will fail. The Secretary of War is almost never a military man, but succeeds, if he does succeed, because he is able to tell which information coming from his military subordinates is prompted by office politics, and which is reliable."

The other executive said: "Most important of all is courage. If a man has courage, he will make his decisions quickly. The sooner he makes them, the more he will get done."

"Not all of them will be correct, but even with a few decisions wrong he will accomplish more than if he procrastinated and couldn't make up his mind."

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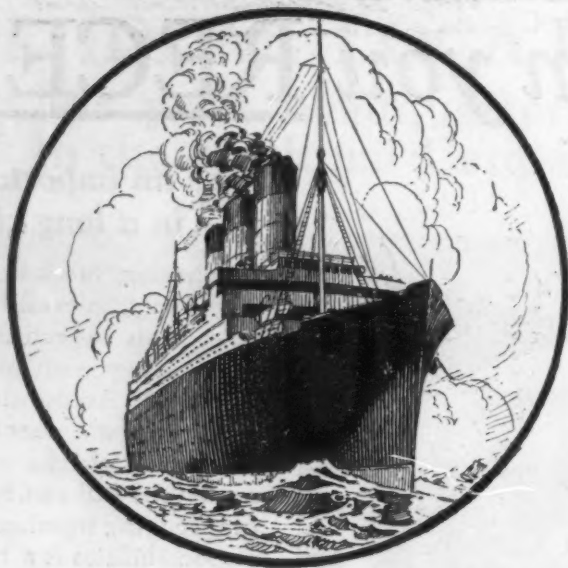
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Stockholm Convention of the International Chamber of Commerce

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Another Panacea for Farmers!

NOW COMES the announcement that George B. Terrell, Texas State Commissioner of Agriculture, proposes a law which would prohibit Texas farmers from working more than eight hours a day, in order to limit the cotton crop. Furthermore, he asks the legislature to make it unlawful for a cotton farmer to break land with a tractor, plow with a cultivator, pick with a "sled" or any other machine except by the human hand. This, he thinks, will settle the over-production of cotton and raise the price at once and for all time.

Such a proposal will undoubtedly limit production. It will also increase the cost of production so that any increase of price will be lost in higher costs.

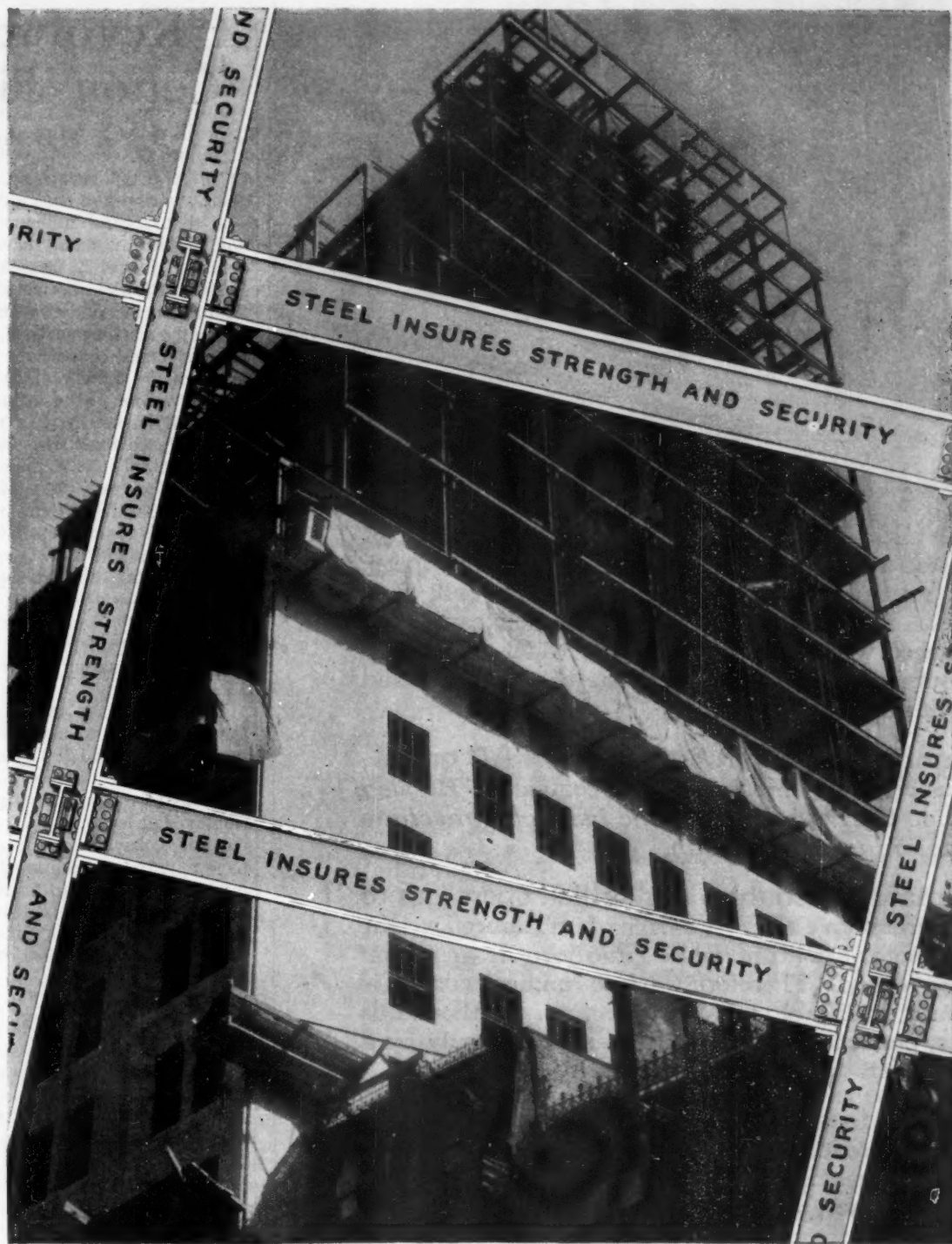
What witchcraft it is that Government holds over the average citizen! Government—not a thing composed of human beings representing the rest of us, but something endowed with supernatural powers, able to repeal economic law and circumvent the laws of nature. A stroke of the legislative pen on parchment and our ills are gone. Less work—more pay. Throw away tools and machinery, go back to the mild-eyed mule and a backyard cotton patch, and presto!—more earnings, more comforts, higher standards of living, more joy in life.

Closely akin to the panacea-producing governmental function is the other fiction that this hazy thing we call government can manufacture, distribute and merchandise as efficiently as the individual. It is a cause of concern when one remembers the four million men and women who walked up to the polls at the last presidential election and voted for a party whose platform called for government operation of railways, of public utilities, of power companies, and for a government-operated marketing corporation.

It is a cause of concern that the repeated and continuous failures of government in economic endeavor avail nothing. Experience from Diocletian to McAdoo—even the lesson of the Shipping Board and Muscle Shoals—is of no avail. It is estimated that we consume 156 pounds of newsprint per capita, yet the daily chronicles of the natural limitations of government in business fields are lost sight of in a mad scramble to follow some other will-o'-the-wisp let loose with glib talk.

Private operation runs ahead of the public needs; government operation lags behind. The only creative instinct of government operation is the creation of jobs.

Our form of government is the best mechanism ever designed by man to protect the political liberty of the individual. It gives every mother's son of us the right to try for leadership, whether in politics, medicine, or business. But when we ask that mechanism, with its delicate checks and balances, to doctor its people, or to manufacture, buy, sell, and transport for its people, it breaks down. It was not designed for that work. Maybe a governmental mechanism could be so designed—but it wouldn't be a democracy.



BUILD BETTER — WITH STEEL



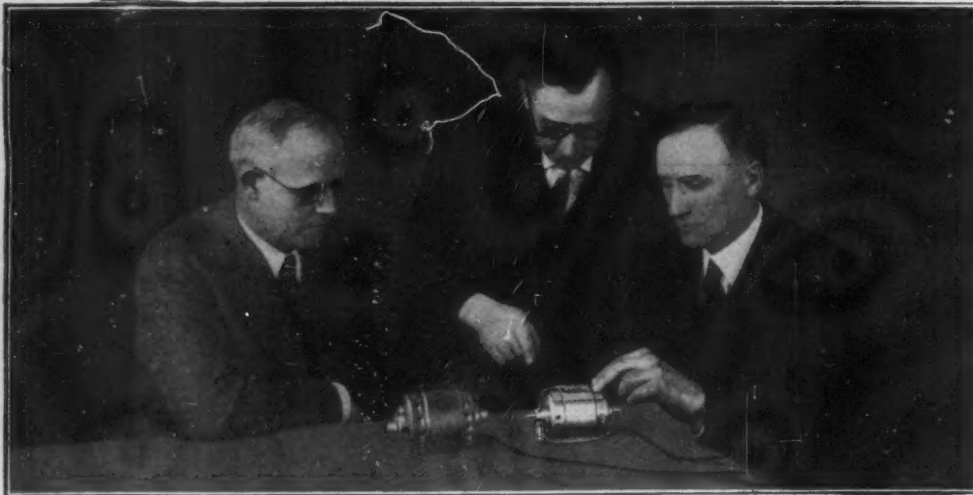
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Steel is the strongest structural material known to man, yet the lightest and most compact in relation to strength. It is the most fool-proof material—for small as well as tall structures. Steel will take the vibration of machinery, the stress of moving loads, the wear and tear of any shock, including earthquakes or cyclones, with less injury than any

other building material. Get the facts about steel now. Ask for your copy of "STEEL NEVER FAILS," a fully illustrated manual of information interesting to any building owner or prospective builder.

This educational advertisement is published by the American Institute of Steel Construction, a non-profit service organization of 213 members comprising the structural steel industry in the United States and Canada. Contributing also to the educational fund are these great rolling mills: Bethlehem Steel Company, The Colorado Fuel and Iron Company, Inland Steel Company, Jones & Laughlin Steel Corporation, Scullin Steel Company. The purpose of the Institute is to extend the use of structural steel in construction work of every size and type from residences to skyscrapers and bridges. The Institute offers fullest cooperation with architects, engineers, the public, and all branches of the building trades. Correspondence invited. AMERICAN INSTITUTE OF STEEL CONSTRUCTION, Inc., 235 Madison Avenue, New York City.

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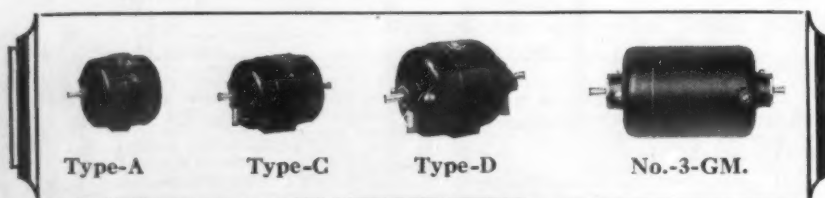
PLACE any universal motor on your desk beside a Dumore. Run the two at working speed. The Dumore stands still. The other motor will walk around. This motion is due to vibration caused by unbalanced weight in the armature, which soon hammers out bearings, shortens the life of the motor and makes it noisy.

The universal motor, operating on AC or DC, was pioneered by an officer of this company. He also designed the *Dumore dynamic balancing machine* which *eliminates vibration*.

This machine enables our skilled operators to detect and remove *every vestige* of unbalanced weight from a motor armature, while *revolving it at actual service speed*. Therefore, perfect running balance is an inbuilt quality of all Dumore motors. Without this process, perfect running balance can be had only by a rare accident.

Freedom from vibration, noise and bearing trouble, improves any motor-driven device. Consequently, the making of these vibrationless motors for *other* manufacturers has grown from an auxiliary line to a most important part of our business.

Today we offer Dumore Vibrationless Motors in any quantity, as a special service to all manufacturers using universal motors in any size up to $\frac{1}{4}$ H.P. Consult our engineering department. Their recommendations are based on more than twenty years experience with universal motors.



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A Revolution in Cotton Picking

By AARON HARDY ULM

THE MOST surprising thing in cotton this year—not even excepting its price—is that several million bales of cotton, not picked by hand, have gone to market from farms in the south since the beginning of the present cotton season. More than a half million bales were gathered by a distinctly machine method. This fact is of more significance perhaps than any other event in the history of cotton since Whitney's invention of the cotton gin in 1793.

Cotton harvesting has not, until lately, materially changed since the ancient Egyptians first did it with fingers until very recently. Two new types of mechanical cotton picker, which a thousand would-be men have tried to evolve, have stood experimental tests and may be on the market in quantity lots before this year's harvesting begins. More than that, without a mechanical picker, volume production of cotton is no longer dependent on hand work in either its cultivation or harvesting. Here is a case in point:

Within the last twelve months a Texas farmer brought to maturity and harvested from 2,000 acres 1,700 bales of cotton with the aid of five "hands." Under ordinary methods of cotton growing, he would have employed at least 100 workers for the planting and cultivating. Hand picking would have required an additional 200 for harvesting season of sixty to ninety days. And in the new part of the cotton country where this happened there is sufficient area for the production of 25,000,000 bales a year in the same way.

Picking Done by Machine

IN THAT new cotton land, in northwest Texas, hundreds of farmers did likewise, a few on larger, most of them on smaller scale. Thousands in other sections grew their crops in a similar way and gathered them by other than hand picking. These facts account for the jump in cotton production. Moreover, they prove that in the United States there may be produced any amount of cotton which the world can possibly consume. The development envisages more and cheaper cotton, not necessarily for this or next year but for the long-pull future.

The developments that have combined in producing an evident solution of the cotton gathering problems are numerous. They are rooted in cultural methods brought into existence chiefly on account of the boll weevil. At about the time that disagreeable immigrant was crossing the Mississippi, O. F. Cook, U. S. Department of Agriculture expert in tropical plant life, who has studied cotton at first hand in every quarter of the world, was in Brazil. A coffee-bearing shrub suggested to him this thought:

"A plant with limbs is not a single unity but a group of unities. Each limb has all the elements of the plant, except roots. Why grow a series of plants on a single root system instead of many plants, each on its

own roots? Here's a strategy for outwitting the boll weevil."

"If the farmers will narrow instead of widen their rows, sow instead of 'hill' their cotton, grow smaller and more plants in each unit of space, they may head off the boll weevil," he told associates on his return to the United States. The theory was so contrary to all precedent and practice that none of them would accept it.

Cook went to Texas and instituted experiments which proved the theory sound. A report of the results was published by the Department, which then refrained from giving formal endorsement.

As the boll weevil made its march Eastward, farmers often found it wise to abandon much cotton which had been planted in the old way. Then all at once many of them discovered that yields from this unchopped cotton allowed to grow on its own were larger sometimes than that from carefully cultivated plants. Some of them wrote to the farm journals about it. It was then discovered that the principle accounting for this had been recognized by Cook.

Beat the Weevil to It

THE principle was pertinent to cotton because the boll weevil's depredations are on "late crops" only.

"Forego the chance of a late crop," said Cook, "and focus everything on getting an early crop before the boll weevils can multiply. The branchless plant, thick in the rows, is the best way to do this."

Several of the farm journals put on campaigns for "single stalk" culture, as the Cook method was called, with the result that it is now widely practiced throughout the south.

In the new cotton-growing regions of west Texas it was adopted and has been followed in its entirety. Hoes are unknown in the cotton fields there. Planting and cultivating was done with machinery from the beginning. Lately many have used three-row plows, pulled by tractors, enabling a single worker to bring as much as 500 acres of cotton to full maturity. And the rich, virgin, semi-arid soil, calls for no fertilizing.

The small plants, thick in the rows, mature quickly. In the northerly latitudes frost sometimes hits them before all the bolls have opened. This caused the new type of cotton planter, scornful of precedent, to think of the first method ever used extensively as a substitute for picking. They went out into the fields and with gloved hands stripped off the "bollies," that is, bolls not fully developed or fully opened.

Then arose the question of what to do with them:

"Run 'em through a threshing machine," someone suggested. This was done. Result—a mixture of battered lint and chaff. This was taken to gins, newly set up and therefore equipped with the latest devices, which were able to isolate the lint. The staple was of low quality and low priced. Then appeared ginnery devices which could do the entire job, from breaking open to separating boll chaff from lint.

Then came "snapping," as a substitute for picking. This was the result of the increasing difficulty to procure hand pickers there at any price. The new methods of culture



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in the year
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IDLE HEAT Now Becomes Usable Heat

ABOUT TEN YEARS AGO an important basic change in factory heating practice made its appearance. The efficiency of wall radiators and central blower systems was challenged.

The principle of directing heat within the desired area (instead of permitting heat to rise directly to the upper areas) was introduced. Executives who studied the possible results of this new principle began to sit up and take notice.

York Heat-Diffusing Units are the scientific means for putting into effect this law of heat-direction and other laws pertaining to air circulation, which have been identified during the past years by York through research and countless practical tests.

Heat-Diffusing Units now take the place of radiators or central blower systems. Experience has proved an installation cost saving varying from 10 per cent to 50 per cent as compared to old-style systems, and a saving in operation ranging upward from 10 per cent.

Not only are new buildings equipped with York Heat-Diffusing Units. With increasing frequency, installations of wall radiators and central blower systems are being dismantled and replaced. Large concerns—those with greatest facilities for studying York Heat-Diffusing Units from all possible angles, are foremost in the movement—concerns such as General Motors, Baldwin Locomotive, Dupont and U. S. Steel. Smaller concerns are learning that their findings apply with equal weight to the small plant.

If you have a job of factory heating, or a problem of excessive heating cost to solve, bring your heating ideas up-to-date by writing for literature to York Heating & Ventilating Corporation, 1514 Locust Street, Philadelphia, Pa. Branches in Principal Cities.

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enabled a single man to bring to maturity as much cotton as two to three hundred persons could pick. So many growers "snapped" all their cotton, the matured along with the immature. It was found that by "snapping" a worker could gather about twice as much.

"Snapped" cotton ranks usually about two grades below picked cotton from the same fields.

Although two to three million bales were gathered in that way during the present season, the "snapping" method is probably only a temporary, labor-saving expedient. It has been justified so far only by inability to employ hand pickers.

"Sledding" Is Great Advance

"SNAPPING" led to what is known as "sledding," which was done by most of the farmers in the West Texas region this season. It is the most revolutionary advance, if such it be, yet made.

"Sled" gathering makes it possible for a single worker to harvest as well as plant and cultivate as much as 500 acres of land, yielding as high as 350 to 400 bales.

A "sled"-gatherer consists merely of an open box, built of boards, and set upon runners or glides, usually two by four scantlings. To the forward end of the floor are nailed wooden strips, such as split barrel staves, in finger-like array. The box is dragged over the rows by team or tractor, the stems and branches of the cotton plants are caught between the "fingers" which strip them of cotton—and all else. The collections are thrust back into the box and later are pitchforked into wagons, which take them to the gin where the real picking is done by cleaning devices.

There is some uncertainty about the results from sled-gathering. It is proved, however, that the method enables a single worker to harvest from six to ten bales of cotton a day while it takes the average hand picker ten to fifteen days to gather a single bale.

The "sledding" cost ranged from 48 cents to \$2 a bale, depending upon the size of the apparatus and the yield per acre. The device can be constructed for a single or for three and four rows, for single horse, team or tractor power.

There is virtually no loss of cotton. The lowering of grade is beyond that caused by "snapping." Buyers classed "sledded" cotton three to four grades below picked cotton. This, together with the extra charge for ginning, meant an offset of three to four cents a pound in the prices received. Buyers were operating in the dark, however, for the spinning quality of cotton thus harvested is yet to be determined. It leaves the gin tagged with considerable tiny foreign matter, including in some cases grass seed which are hard to remove at the gins or the mills. The ginneries equipped with

the very latest cleaning devices turned out reasonably clean "sledded" cotton, and it is believed that the up-to-date gin soon will be able to clean it as fully as any other cotton.

Another deteriorating factor is involved. As generally done, all the cotton was gathered at one time by "sleds." This meant the mixing of the good with the bad. Thus while the staple is low with respect to uniformity of length and strength, it is available for coarse and cheap grades of cotton goods.

The worst effect of the developments which find most revolutionary expression in the "sleds" is that practically all of them lessen the quality of product. This may be true even of the "single-stalk" method of culture; it may tend towards breeding back instead of forward. If so, the defect can be overcome by having growers in some areas produce cotton in the old way primarily for seed to be planted elsewhere.

Something like a thousand patents, some of them dating back more than a century, have been taken out on mechanical picking devices. They are, broadly, of three types—the mechanical "hand," the suction picker, and the spindle picker. The first has made little headway and offers little hope. Suction

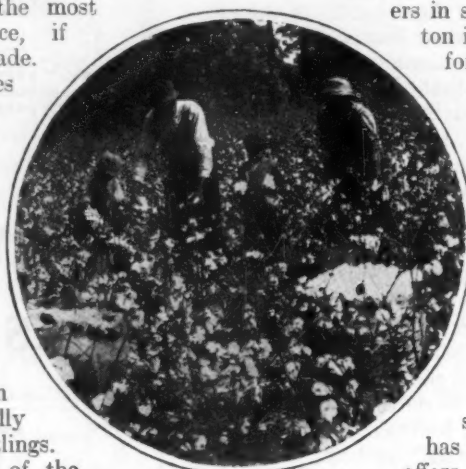
pickers have and do work. But they are large, cumbersome and costly and each one has to be attended by several persons. The new gin cleaning device may tend to overcome the shortcomings of the suction picker.

The best prospect at present seems to come from the spindle type. The one of these that in the past seemed most nearly practicable was evolved by Angus Campbell who devoted more than thirty years to its development.

Campbell Picker Improved

THE BASIC patents have now expired, with the result that other inventors have been bringing their ingenuity to bear on the defects of detail which Campbell did not surmount. International Harvester Company engineers have constructed, with improvements, a Campbell type of picker which has stood experimental tests. H. N. Berry & Sons of Greenville, Mississippi, has built another. Experimental operations of the Berry picker have been observed by Department of Agriculture specialists who say that so far as these tests show, it works successfully. The picker is drawn and operated by motors. Turning spindles reach out from revolving drums, on each side of a row, and collect the cotton directly from opened bolls. A single worker, with the machine, can go over 6 to 8 acres a day.

Machine gathering, if it can be done without deteriorating effect on quality would save the farmers of the south more than \$250,000,000 in the cost of gathering the huge current crop.





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The way to fight rust-fire in your home is to make sure that you use a rust-resisting metal.

Look for the sheet metal shop in your neighborhood that displays the "Armco" Ingot Iron Shop sign! This sign is your guarantee of a long-time job on gutters, downspouts, roofing, flashing and all other weather-exposed metal parts about a house.

For the Armco Shop man will use

rust-resisting "Armco" Ingot Iron. No other low-cost metal can equal it in fighting rust. "Armco" Ingot Iron is the purest iron made. It is almost entirely free from the impurities that hasten rust in steel and other irons. And because "Armco" Ingot Iron takes and holds a coat of zinc much purer than the galvanizing on steel, it offers a *double* protection against rust.

The sheet metal man will tell you that sixty cents of every dollar you spend for sheet metal work goes for labor. Protect

this investment by insisting upon enduring "Armco" Ingot Iron.

And in INDUSTRY... More and more, executives are making it a policy to insist on the use of "Armco" Ingot Iron for tanks, stacks, breechings, and all sheet metal work. In every industry, this rust-resisting iron is saving thousands of dollars on repair jobs by putting them off for years. The Armco Triangle stamped on every sheet identifies the purest, most enduring iron made.

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Hamburgers, Incorporated

By ELMER T. PETERSON

"HAMBURGER-STAND Research Specialist."

This is the imposing title of a young man in a thriving western city. And the suggestive designation may cause the reader to visualize a startling application of the genius of efficiency and business organization to an occupation hitherto relegated to nondescripts—the ragtag and bobtail of the business world, so to speak. But the last ten years have changed all this. The magic of efficiency has penetrated even into the little ten-by-ten cement block house where a single man stands before a hot griddle and runs a lunch room without stirring out of his tracks more than half a dozen steps all day.

Now we have the chain-store idea—or more pertinently, the Childs restaurant idea—applied to hamburgers. Hence the research specialist.

One incorporated chain of stands has 34 establishments in six cities. It employs 105 persons, nearly all men. Its investment is more than \$100,000 and it does a business of about \$15,000 a week. The buns used for sandwiches are standardized and made to order according to certain specifications. The meat is made up according to a scientific formula. The process of the cracking of fat molecules in suet is a recognized and significant factor. Machinery that was devised especially for this company is used. Hence the corporation employs a research specialist.

What Hamburger Once Was

GO BACK again to the old conception of a hamburger stand, whether it be a temporary booth at the county fair, or a frame shack or cement block house in the outskirts of a city, or a wagon.

Hamburger, reared and harbored in such surroundings, comes in the same dubious category as commercial hash. It is one of the mysteries of life. It is a thing taken on faith. It is the hasty, cheap lunch of the trusting laborer who is too hard pressed for funds to patronize a restaurant. Hunger drives men, and sometimes women and children, to accept the mystery of ground meat, fried in patties or made into hot dogs, or perhaps spiced with chili powder and offered up as a hot Mexican dish, with appropriate beans.

Or hamburger is what the householder buys, also on faith, in the raw state, at the market. It is not attested by government

inspectors nor endorsed by dietitians. It may be aged or synthetic. It may contain much neck and gristle. Therefore the idea of a scientific gentleman equipped with a microscope, peering into the intricacies of hamburger, is entrancing. Perhaps one of these days our versatile and astounding civilization will be blessed with a hamburger engineer. So rapidly is society improving.

The injection of business ethics and efficiency and consequent larger profits into the nickel lunch house means farewell in the near future to the nondescript and uncatalogued meat ration, the anemic slop misnamed coffee, the sallow, tasteless and flexible pie and the trusty, rusty caneringers which are courteously called doughnuts. And this consummation, it should be said, will not simply protect the poor man who has only a nickel, but it should result in the grading up of the ten, fifteen and twenty cent joints frequented by the more affluent and accomplished gourmets. In fact the whole restaurant business may be indirectly affected.

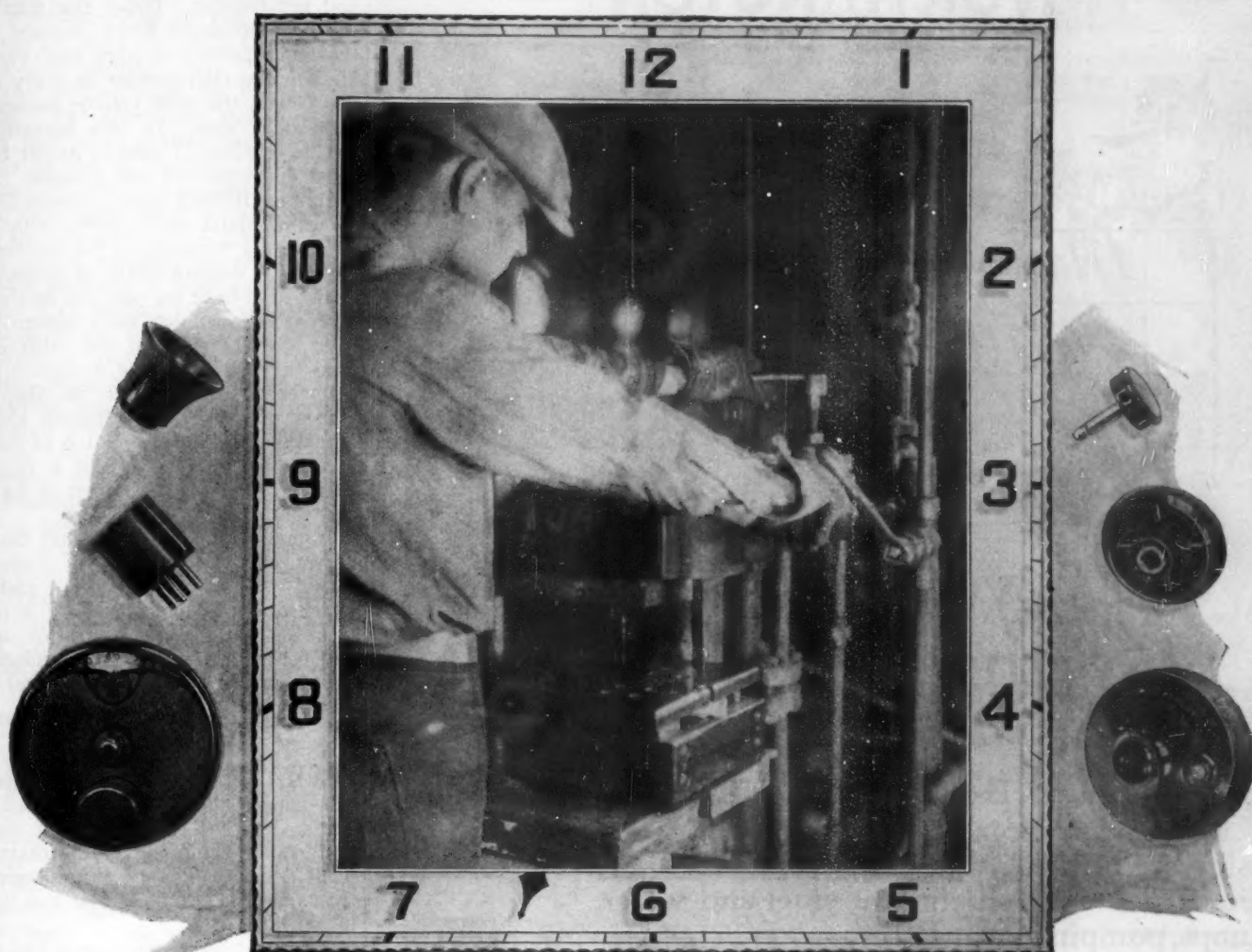
Moreover, the coming of the hamburger engineer brings about the patronage of a vast number of well-to-do people who are glad to pause for convenience and buy small lunches when they know the food is clean. A large number of workers are now buying their lunches in small stands, so the conditions surrounding these stands are not to be dismissed as unimportant. One city whose statistics are available has 100 of these small stands to 100,000 population.

The American institution of the small hot lunch has borrowed ideas from Vienna, or Wien, which forms the Teutonic word-root of wieners, commonly known as hot dogs; from Mexico, from Hamburg and from China; and has utilized these ideas in the purveying of tabloid refectation. It is related by the eminent Chinese lecturer, Dr. Herman Liu, that a certain section of Shanghai has become so Americanized that an enterprising Yankee has started a chop suey joint there, and is teaching the Chinese to like his dish.

About twenty years ago a grocer's clerk in Wichita, Kansas, noticed the predicament of a Mexican proprietor of a chili stand who was unable to obtain a steady supply of chili peppers. It occurred to the clerk that there might be a business opportunity in the importation of these peppers

THIS is a day of consolidations in business. Books have been written to prove it. To most men consolidation means a putting together of big things, but, as Mr. Peterson's story shows, it is just as possible to make a profitable and successful consolidation by putting together little things. It is interesting to see how in this chain of hamburger stands every principle that NATION'S BUSINESS has been urging and advocating has been applied. Research, mass buying, mass production, mass selling, simplification and standardization—all these have been made use of in the making of five cents' worth of ground meat.

—The Editor.



Lost minutes are never regained

MINUTES that are lost in unnecessary machining and assembly operations, or lost in the unit production of parts that are adapted to multiple production, have a disturbing way of turning up as lost dollars on the balance sheet.

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ways of Chili, you will find Worthington Locomotive Feedwater Heaters saving fuel and water.

Throughout Europe and in the Orient, you will find Worthington pumps, compressors, and power equipment working for industry and in the service of cities.

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and the standardization of chili con carne and hot tamales. Today this man is conducting a business which requires a large two-story factory building and warehouse. He supplies chili powder to every state in the Union, the sales volume amounting to \$100,000 a year. In corn harvesting season he employs 17 men to gather husks to form envelopes for hot tamales. He imports the Biblical spice cummin from the island of Malta and peppers from Mexico.

He has a formula for his powder which includes a definite blend of garlic in with the hot red basic pepper, and he ships both powder and complete meat mixture to Vera Cruz, San Luis Potosi and other Mexican cities as well as to the numerous leather-stomached communities in the United States that like fiery Spanish kickshaws. Sometimes as much as a ton of the torrid mixture is shipped out in a day. This unique concern is the largest of its kind in the country.

It may be that the fact that the United States is a melting pot of races is the cause for the cosmopolitan gastronomy which draws so many culinary inspirations from all over the globe, Americanizes them and converts them into the condensed balanced ration of the "eat-it-and-beat-it" customer.

Chain of 34 Stands

ABOUT six years ago a hamburger stand-keeper and an insurance man got together, and the combination of card-index and griddle has produced the chain system of 34 stands mentioned at the beginning of this article. This firm also had its origin in Wichita.

The hamburger standkeeper had the rare faculty of imagination.

Walt Anderson, the hamburger man, and W. E. Ingram, the insurance man, formed a partnership, and began to build a big organization from the ground up. From the ground-up meat, in fact.

"For five cents," says Ingram, "we furnish a complete balanced ration, complying with the specifications of domestic science experts.

"There is the bun, which we divide and convert into a sandwich. It is made to our own order, according to our own formula, which is the same in every city where we operate. Our men can tell our bun from an off-standard one, twenty feet away.

"Then there is the pickle, furnishing a relish to those who order it. And the sliced onion furnishes a vegetable with vitamins and other elements needed by the human body. The suet used in the preparation of the ration furnishes fuel for the human machine. Last and most important is the meat patty, carefully prepared by our own rigid formula, and also containing vitamins.

"The meat is not from scraps, but from what is called the 'plate,' corresponding to what is bacon in hogs. This is mixed with a small percentage of pork and is finely ground up, each city system of stands getting its supply from its own special source. The meat is made up into balls at the beginning of the day's work and kept in a refrigerator. When the customer's order is received a ball is flattened into a patty, placed on a gas-heated griddle and fried in

fresh suet. We have found by long experience that suet which is even one day old has a different chemical action in cooking, as the fat molecules begin to crack, as the petroleum engineers say. We use no lard. The patties must be exactly the right size. An experienced man can tell instantly how many patties there are to a pound, in looking at a griddle full. That is one way by which an inspector can tell whether the griddle man is 'holding out' on us. He can also tell instantly, by the looks of things, whether the griddle man is using our own special meat or the product of the open market. The preparation and cooking of the product is highly specialized, and a customer in Minneapolis knows that he is getting the same ration that he would get in St. Louis or Omaha.

"All stands are kept scrupulously clean, and we use white paint, enamel or porcelain wherever possible. We employ only men of excellent character and tendencies. Looking at random over our file of applications, I notice a university graduate. Most of them are high school graduates, and nearly all of them are young. They are not employed until after they have passed a strict medical examination, especially with regard to venereal disease. Our examination formula was gotten up by one of the best physicians in the city. He keeps constant watch over the employees.

"The personnel is the most important element in our organization, and that is why such an organization must be built up from small beginnings. We train our own men under a special instructor, who, in turn, has had long training in our system. Every man in the entire organization of 105 must begin at the griddle. In each town is a manager, an assistant manager or checker, a repair man and, for each stand, two griddle men who work on shifts which overlap at the midday rush hour. The checker and repair men act as inspectors, guarding against irregularities in the marketing of the product. But we depend mostly upon the integrity of our men. They could not cheat very easily if they wanted to, but we don't have any trouble in that direction.

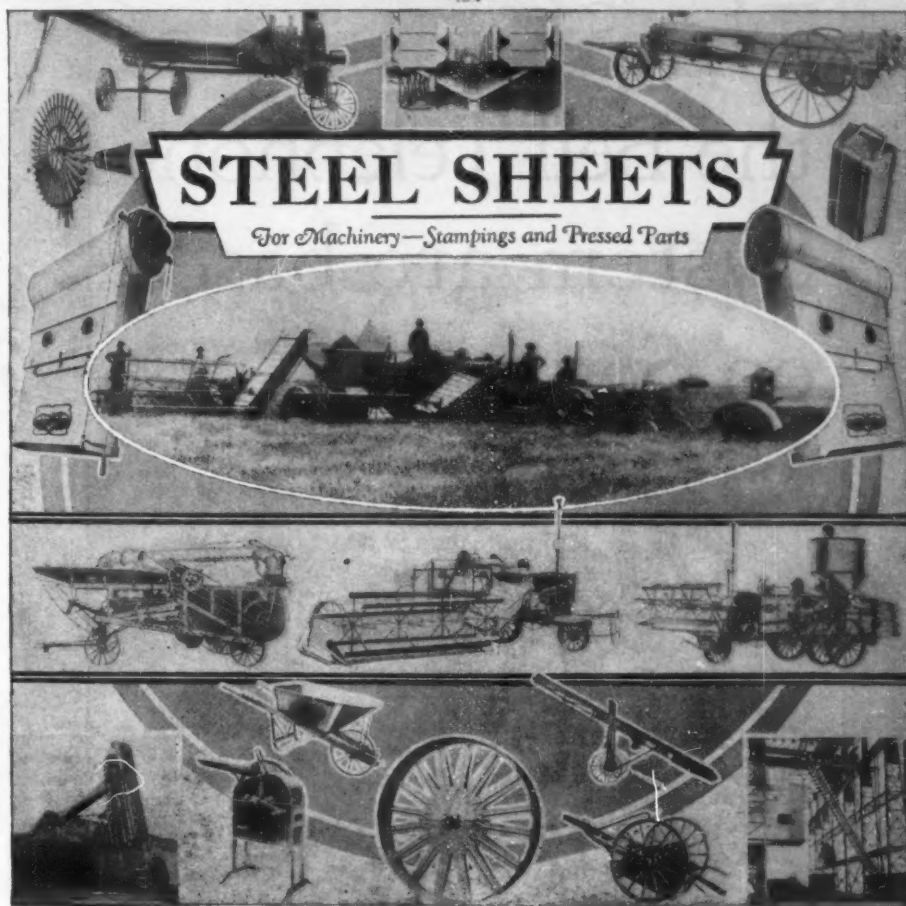
Coffee With a Taste

"THE same rigid standards as to solid foods apply to our coffee. We use a high-grade brand in all our places, and real cream which must have a minimum of 22 per cent butterfat. We test this in our laboratories and know at all times just what we are serving. We sell some pie and a few rolls, but the main business is hamburgers. We have thought of trying other lines, but find that the best results come from concentrating upon one specialty.

"The wages paid employees are good, we think. One of our managers made \$5,400 last year, including his bonus. We have worked out a bonus system which includes every employee. The bonus distribution for this year, we expect, will be about \$25,000."

From a human interest standpoint the most vivid flash out of this unique commercial venture is its effect upon young men.

"In the nature of things," Mr. Ingram continued, "the men that come to us for jobs have a peculiar and somewhat dis-



Top—Wind Mill, Ensilage Cutter, Walnut Dryer, Manure Spreader, Material Carrier
Center—Cotton Ginning Machines, Western Harvesting Scene Below Center—Thresher, and Harvester-Thresher Combines
Bottom—Conveying Machinery, Loader, Sheller, Pulley and Road Scraper

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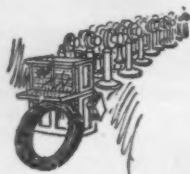
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The Securities of the Bell Telephone System are based on Service



THE physical properties of the System have a book value of more than \$2,800,000,000, but besides that there is a scientific and technical force of 5,000 people engaged solely in seeking to further develop the science of telephony and to improve methods for making the service better. The activities of this force furnish dependable assurance of continued improvement in the plant of the System and its service to the public.

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For the manufacturer or merchant looking overseas for new markets, a new 64-page booklet, "Doing Export Business," has been prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This booklet discusses: Surveying the export field, Establishing the Export Department, Promoting Foreign Sales and Filing Export Orders.

"Doing Export Business" is an essential guide book for anyone doing or contemplating doing foreign trade. It is being distributed at cost, 15 cents a copy.

Foreign Commerce Department
U. S. Chamber of Commerce,
Washington, D. C.



Wilson, not House was the Master Mind!

The chief actor in the fight
for sound finance breaks
his silence

AN ADVENTURE IN CONSTRUCTIVE FINANCE

An Account of the Federal Reserve System

BY CARTER GLASS

U. S. Senator; Chairman House Committee on
Banking and Currency, 1912-18; Sec. of the
Treasury, 1918-20

THE frank, outspoken account of the fight for sound finance. How powerful bankers bitterly fought the measure; how one great financier submitted a currency plan already printed; how Wilson flatly refused the bankers representation on the Federal Reserve Board; these are some of the episodes, which are to be read not alone for their historical importance, but for their dramatic human interest as well. Here is sensational material that will cause wide discussion.

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illusioned outlook upon life. They have the same conception of a hamburger stand that is possessed by the general public, which, we realize, is not altogether complimentary because so many of them are run as a commercial forlorn hope by persons who have failed in everything else.

"We get a great 'kick' out of watching these young men. All at once they tumble to the fact that here is a real, sure-enough business enterprise, dignified and affording better wages than paid by the ordinary light restaurant. They have a vision of a future. Hope returns, and they begin to build a new foundation for success, realizing that they are in a business which is getting them somewhere.

"We make the claim that we not only furnish the public with the best food at the lowest price, in comparison with other eating places, but that we pay our help better and keep things cleaner and more wholesome. And, to judge from the transformation that has taken place in the case of many of our young men, we seem to have given them a new grip on life."

Development Has Not Ended

THE research department of this corporation is working on an onion and pickle slicer, run by an electric motor, the only one of its kind that is proving satisfactory. It is perfecting a collapsible metal house with interchangeable parts, the metal to be heavily enameled. The man in charge of the department is constantly at work devising new methods for promoting efficiency and economy.

This gives an inkling of what can be accomplished by a serious program affecting an apparently trifling matter. In a sense it is a repetition of the experience of the five-and-ten-cent store phenomenon, which demonstrated that fortunes can be built on nickels and dimes. The nickel lunch is taken out of the joke class and made into as much of an economic factor as the towel or cooking utensil purchased at the ten-cent store.

One who visits the main office of the hamburger stand chain, for instance, sees a businesslike suite of rooms, a force of clerks, stenographers and bookkeepers handling a volume of exact reports coming daily from all the branches. He sees scientific allocation of expenses. He sees efficiency methods. If a little ten-by-ten stand in St. Paul loses \$1.13 on the 14th of September, the main office knows it on the 15th of September, and if the condition continues until the 20th, the branch manager hears about it on the 21st, and remedial measures are put to work.

It is a part of the American picture of efficiency in business. It is a quaint sidelight on the great American passion for organization. The triumph of a chain lunch-stand corporation is prophetic of the expansion and co-ordination of other small ventures. It proves that small beginnings are not to be despised, but may be vitally essential to large success. It shows that intensive and far-flung organization may produce a commodity more cheaply than a slipshod individual plant and serve the public better by scientific standardization and attention to the health and welfare of both customers and employees.

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Through a system of 61 warehouses Graybar is truly national in scope—national too in outlook, in the planning for a still broader service to meet the greater demands of American industry in years to come.

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Most golfers find they get 15 to 25 yards longer flight when they play this best of all good golf balls.

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Business Legislation in Prospect

By FRANCIS COPELAND

IT WILL be seven months before Congress reassembles to resume legislative business. In the meantime various forces are at work shaping the issues for next December. While congressmen are at home in contact with constituents and learning at first hand how they feel about a wide variety of unsolved problems, various organizations and groups are taking stock and laying plans for getting their pet bills favorably before Congress. A recess inventory of left-over issues, therefore, may be profitable.

Taxation

The Ways and Means Committee of the House will meet a month ahead of the convening of Congress to plan to revise the revenue law that will bring in \$500,000,000 more than is needed by the Government during this fiscal year. A cut in the corporation income tax rate seems pretty well agreed upon, but the amount of the cut will be a subject of controversy. A strong effort, undoubtedly, will be made to take off the automobile sales tax and to modify other taxes. The Treasury Department may renew its recommendation that the Federal Government withdraw from the inheritance tax field, but this proposal would meet stubborn opposition in Congress.

The Joint Congressional Committee on Internal Revenue Taxation, created by the Revenue Act of 1926, is continuing its studies for improvement of tax administration and will make recommendations for changes in the law. One report of the committee's experts, which has piqued the interest of the Treasury Department, declares that much evasion of tax payments has resulted from failure to collect taxes on undistributed profits.

Foreign Affairs

America's relations with the rest of the world are occupying the minds of many congressmen who are exploring foreign fields during the recess. Other senators no less intent on the status of American foreign affairs are remaining in Washington as the best means of keeping in touch with the troubled world situation.

Railway Legislation

The Parker-Fess consolidation bill which had thorough consideration by committees in the last Congress seems favored for enactment in the next session. This bill provides for voluntary consolidations under conditions that seem to be agreeable to all parties in interest. It is the result of continuous effort since 1920 to expedite mergers in the interest of better transportation.

Agitation for adjusting short-and-long-haul rates is expected to continue. Rocky Mountain states count this question vital. There is no reason to believe, however, that it will get any greater support than it has had in the past.

A rising issue is the problem of the Panama Canal. The increased traffic by that route promises to force consideration of remodeling the present canal or the

construction of a new one through Nicaragua. Canal traffic, already a troublesome factor in railway rate making, seems destined for a still more important rôle.

Efforts to do away with Pullman surcharges will be put forth as a continuation of the fight that has gone on for years. Commercial travelers, claiming a strength of 900,000, are banded together in the attempt to abolish this charge. The objection to this proposal in the past has been partly that it interferes with rate-making functions properly belonging to the Interstate Commerce Commission.

In the last Congress a bill was reported to the Senate that would have exempted certain short-line railroads from the recapture clause of the Transportation Act of 1920. A revival of the bill can be expected.

Agriculture

America's farm workers are deep in the planting and plowing of crops, but their leaders have not remitted their demand for federal legislation to make farming more profitable.

Defeat of the McNary-Haugen proposal in Congress three years in succession has not quenched the ardor of its backers. Senator McNary is conferring with agricultural leaders for the purpose of drafting a new measure that will overcome presidential objections.

In the meantime, the agrarian element is injecting its demands into political issues that promise to have a profound effect upon the future. Rising cotton prices, greater stability in wheat, and better prospects for some other major crops may ease the stress that has attended efforts for agricultural betterment. That the long-continued problem must be dealt with by Congress, however, is the firm belief of all who are responsible for directing the course of legislation.

Boulder Dam—Muscle Shoals

The tragic end of the Boulder Dam proposal in the last Congress will serve to spur its advocates to press all the harder for its passage. Senators and representatives from Arizona and Utah, who accomplished defeat of the bill, will do their best to block further action. Strong opposition also will come from interests which object to entry by the Government into the production and sale of electric power.

No one yet has found an acceptable answer to the question of what to do with the huge government power plant at Muscle Shoals, Alabama. This has been a much debated issue since the war, and the end is not in sight. As matters stand now, the War Department is manufacturing and selling power but cannot enter long-time contracts for sale of power.

A joint campaign of public enlightenment on the two projects is being undertaken by a group of senators who would put the Government into the power business to block what they fear is a menacing "power trust." Thus far these two issues have been



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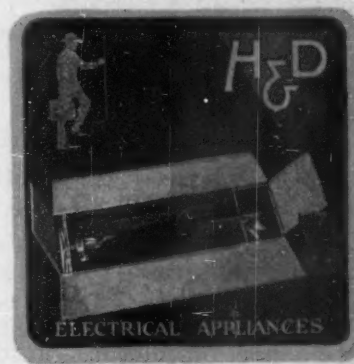
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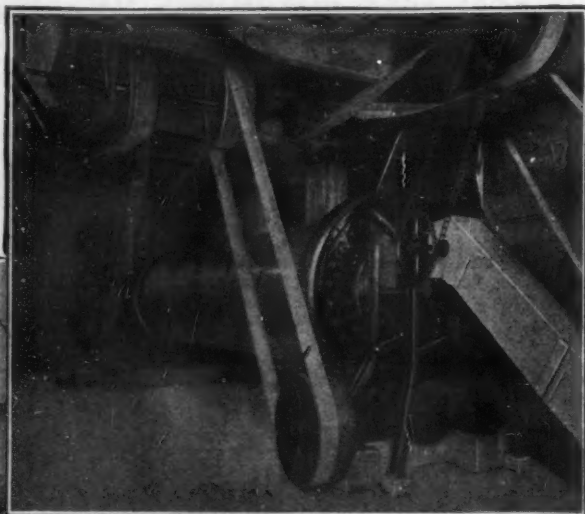
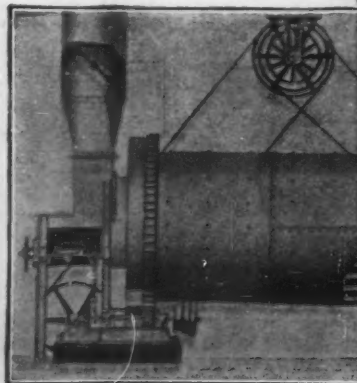
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primarily sectional problems. As part of the greater national power question they are fast becoming a national issue of the first magnitude.

Tariff

As a party issue the tariff system will be the subject of many political speeches. The Ways and Means Committee of the House may advocate changes in tariff administration. Republican control of Congress, however, appears likely to preclude any general reduction of tariff rates—especially since there are several Democratic members who lean toward the protective principle rather than the traditional attitude of their party. It is entirely possible, however, that a readjustment of schedules will be attempted to deal with changed conditions that affect certain commodities.

Plans for farmer relief may involve tariff readjustment, but it seems plausible that any action taken would extend the tariff idea—with respect to farm products—rather than discard it. The Canadian proposal for tariff reciprocity will meet the disfavor of American agriculture and, therefore, stands a poor chance of acceptance in this country until conditions change materially in the wheat belt.

National Defense

Sincere belief of leaders in Congress that our Navy and Army should be strengthened may bring on a struggle of some magnitude. The course of the controversy will depend greatly upon the outcome of President Coolidge's plan for concerted naval reductions through the international conference to be held this summer.

Turkish Treaty

Despite the Senate's failure to ratify the Lausanne Treaty the Government has reached an agreement with Turkey as a basis for conducting business between the two governments. The arrangement will continue until May, 1928. An American ambassador will be sent to Turkey. Lack of a treaty, however, is an embarrassment, and a new effort will be made to secure ratification of the Treaty.

Parcel Post with Cuba

Diplomacy of the Post Office Department has persuaded the Cuban Government to extend to March 1, 1928, the present parcel post convention which that country was planning to terminate on June 30, 1927, because Congress failed to repeal the law prohibiting imports of cigars and cigarettes in small lots. The new agreement will run until March 1, 1928, in the hope that Congress will act in the meantime. Parcel post trade with Cuba is important and trade losses that would result from discontinuance of this facility can be expected to bring strong pressure upon Congress to repeal the troublesome law of 1866.

Postal Rates

Long-drawn-out efforts to revise postal rates in the Sixty-ninth Congress came to naught. Undoubtedly, proposals in this direction will be made in the coming session with high hopes of success. Various groups of mail users have reached a point

of agreement on postal legislation that will aid passage of a new bill.

Merchant Marine

The future policy of the government merchant fleet promises to be the subject of further attempted legislation in the next session of Congress. The Shipping Board has declared its belief that only through government operation can a successful merchant marine be maintained. Senator Jones, chairman of the Senate Committee on Commerce, has announced that he will sponsor a bill to establish this policy.

Alien Property

One of the few remaining heritages of the World War is the alien property bill which was lost because of a filibuster in the Senate in the last Congress. Undoubtedly a new bill will come up again early in the next session.

Motor Transportation

Regulation of motor common carriers by the Interstate Commerce Commission has been put forward in Congress for several years. The question did not receive much attention in the last session but, most likely, will be taken up in the next Congress. There is disagreement between truck operators and passenger bus lines as to the degree and kind of regulation that should be invoked.

Other Left-over Issues

A long list of bills made significant progress in the last Congress through passage by one house or by committee report. Outstanding measures in this category are:

To provide for deportation of certain alien seamen not admissible under the immigration laws.

To specify branding of packages of imported nuts, fruits, rice and vegetables to show country of origin and the exact contents of packages.

Authorization of \$11,000,000 for construction of new hospitals for World War veterans.

Bills to permit entry of certain children and wives of citizens as non-quota immigrants.

To authorize the Secretary of Commerce to establish loading lines for vessels.

For federal regulation of certain private stockyards.

To regulate practice as attorney before the Patent Office.

To complete purchases of silver authorized by the Pittman Act by buying 14,589,730 ounces at \$1 an ounce.

To provide \$100,000,000 additional for public buildings.

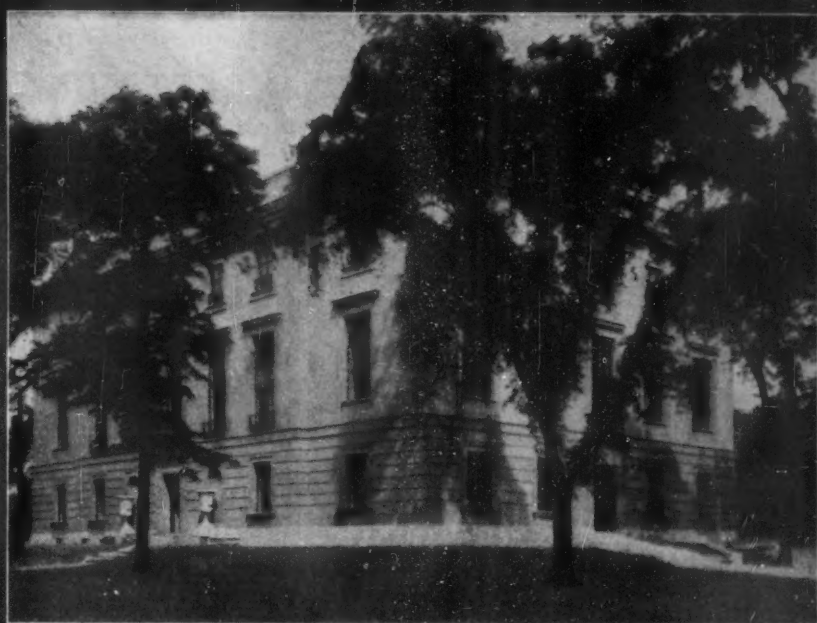
To substitute the competitive contract system for day labor in public construction work.

To create a Division of Safety in the Bureau of Labor Statistics in the Department of Labor.

To provide for collection and publication of statistics on tobacco.

To revise trade-mark laws.

The next session of Congress will be a long session, running from the first Monday in December until the approach of the party nominating conventions in the summer of 1928. Ample time will be afforded for consideration of important legislation.



Allen Memorial Medical Library, Cleveland, Ohio. Walker & Weeks, Architects, Cleveland, Ohio. Kawneer Solid Nickel-Silver Windows used throughout.

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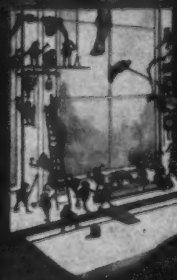
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DURING the first quarter of the 20th century we have seen to what extent perishable building materials have given way to those of pyramid-like endurance.

Metallurgists and others interested in scientific research have brought about many refinements in rusting and non-rusting metals. Welding technique has materially improved. Tensile strength has been greatly increased. The fact remains, however, that steel as well as wood must still be protected by regular applications of painting, plating, or some other means which are at best temporary.

Solid Nickel-Silver formed into hollow metal mouldings from which Kawneer windows are made, is positively rust-proof and can be strongly welded. Paint or any other protective coating is unnecessary. Kawneer windows, both casement and weight hung, are so fabricated that they will not rattle, warp or bind and are weather and dust-proof.

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BUILDINGS completely sprinkled, dual water system. Very low insurance.

THIS plant is well situated, and there is ample room for expansion. Present layout splendid for economical manufacturing of almost any kind.

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NEW YORK, N. Y.

Aladdin Is Not a Myth

By I. K. RUSSELL

IN THE Colorado Mountains, where the roads are famous for their sharp corners and hair-pin turns, a little fellow hopped into a car, with a wise crack for the chauffeur.

"Say, buddie," he smiled at the driver, "you can make a thousand dollars on this trip, and all you have to do to make it is to come to any telegraph pole with a sign on it you can't read because it's too dark, or if you come to any driver that gets fussy about your headlights, or if you come to any hair-pin turn you can't see all the way around before you start to turn it. Yes, and you can make your thousand if you come to any corner you can't see around."

The night was pitch-black. The drive was a thousand miles through the most "turnifications" mountain roads in Colorado. One section of the drive was famous for its jestful sign, "Speed limit 90-miles an hour—Fords do your damndest." The road there seemed to run about straight up and down.

The drive started—and finished—and those aboard the car talked of everything but the one thing that possessed the chauffeur's mind—how to win that thousand. At the end of the drive all turned in for dinner at a mountain hotel. Out in front they saw their car—going round and round in a constantly diminishing circle.

Out came the man who had made the original proposition. "What are you doing, buddy?" he asked.

"Doggone it. I'm making a last try to win that thousand—I'm trying to get the car in a position from which I can't see around the corner."

"Any chance of winning?"

The chauffeur shook his head. "When we started I'd have bet you a thousand even I could win your money, but I guess I'll have to give it up. Say what kind of Aladdin stuff are you pulling on me anyhow?"

A Lighting Expert

WE PROBABLY wouldn't risk these words—if any other human being than the one who sat behind the driver on that 1,000-mile ride had done the talking. But the chauffeur who confessed himself beaten had spilled some real beans. This was "Aladdin stuff." He didn't know it, but he was speaking to a modern Aladdin—W. D'Arcy Ryan. Back in the Romantic Age when gentlemen carved out romance with rapiers there were D'Artagnans but the modern D'Arcy carves out his romances with modern tools.

Go over to Spain—Barcelona or Seville, and you'll find this modern Aladdin jazzing up the lights. Go to Niagara and see the falls illuminated—bridal veils and banners for which the roaring of the falls furnishes the drums, and you are where D'Arcy Ryan has been.

If you visited the San Francisco exposition in 1915 and saw the marvelous color salute in honor of President Wilson, you saw his craftsmanship.

If you've visited Salt Lake City and have

seen its "best lighted street in the world," you have again encountered Ryan's handiwork. If you've been to Chicago and have seen the fuss they're making over their New State Street, with its bath of midnight sunlight, you're following his "blazing" trail yet again.

Columbus struggled all his life to find India but things worked out quite differently. Pasteur wanted to teach the French to make better beer—and gave the world the key to controlling the plagues and infections.

Varied Use of Searchlights

SO, WHEN D'Arcy sought to make a cascade of colors in the sky for President Wilson at Frisco in 1915, he discovered the way to pick up German aeroplanes above the allied lines and a way to establish night flying for the Air Mail in America. The great searchlights that were first modelled for that show for President Wilson now lie hidden in the depths of every coast defense position in America, and an adapted form of them guides the night flyers from field to field as they span our continent with the high-pressure mail.

I first became interested in this modern Aladdin when I saw the illumination at Niagara at night. Many years before I had joined with the muckrakers who believed all business was rapacious, all industry bent on hogging natural resources that were the people's heritage. So I had joined in the chorus of those who lifted up sharp tongues in horror that business was going to despoil Niagara.

There seemed to be talking points against those who put Niagara to work, and no such point had been overlooked by any of these baiters of industry. But had they caught the real spirit of those seeking to put Niagara into harness? Suddenly I woke up to the fact power was something you couldn't "steal." It had to light homes, warm cold places, turn industrial wheels before it was ever worth a cent to a so-called "power hog."

Well, I went to Niagara, and found this miracle of light. The power of the falls had been taken from them, and flooded back upon them to make them more gorgeous at night than ever they had been by day.

Ryan had done that—the men at the searchlights said as they turned cascades of color upon the crashing waters.

A chance to meet Ryan came in Chicago a year later. He was enjoying the spectacle of a White Way show-off, and as I looked at him I thought of Fred Funston. Ryan was just the Funston type—and size—and just as full of energy. I had stood beside Funston and two other officers on the night he first went under fire in the Philippines. An enemy cannon ball struck a banana tree nearby. A brigadier general dived for a hole. I know, for he pushed me out of it. A major of artillery stood nonplussed and did nothing at all. But Funston called for his horse and rode out to his line of infantry. He found disaster.

ACCURACY *in reducing costs*

Of the Bedaux Principle of Human Power Measurement,
R. R. Titus, General Manager of the Diamond State Fibre
Company and The Celeron Company, writes:

"PROBABLY the best recommendation I can give these people is that their preliminary survey of labor conditions in our factories was accurate and in every case they have done more than they said they could do when they originally solicited the business. Their work has been gratifying on process jobs where piece work would never have been applicable."

The Bedaux Principle of Human Power Measurement is the *original* unit principle which co-ordinates all departments, and all labor, both direct and indirect, under one

standard measure of production—the B-unit. "Bedaux" increases production, decreases costs and increases wages by dealing with the human element alone.

Among our 135 clients in every field of industry the average reduction in costs has been 20%, with an increase in wages, on the average, of 15%!

A preliminary examination of your plant will cost you nothing, and you may be assured of two things—the survey will be *accurate*, and our engineers will be careful to promise less than they can do.

The Chas. E. Bedaux Companies

OF NEW YORK
17 Battery Place, New York City
DOUGLAS S. KEOGH, President



OF ILLINOIS
435 North Michigan Ave., Chicago, Ill.
ALBERT RAMOND, President

OF PACIFIC STATES
Pacific Building, Portland, Oregon
CHARLES W. ENGLISH, President



CHAS. E. BEDAUX, LTD.
Bush House, Aldwych, London, W. C. 2, England SIR FRANCIS ROSE PRICE, Bart., Chairman

How is Your Business Growing?

More business! More sales! More profits! More today than yesterday—this week than last—this year than the year before.

"Sell and Grow" is a great urge, but it is only half the truth. For progress in business is not just material increase.

There is *growth* in reputation, the development of confidence and good-will. Growth in the loyalty and efficiency of employees; in the enthusiasm and capacities of executives. A better product is growth; and so is the elimination of wasteful practices. Better Budgeting is growth—budgeting based on more competent analysis of the facts and figures of one's business.

Growing in the will and power to serve, business develops the means to larger earnings and broader service.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	DALLAS
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	LOUISVILLE	ST. LOUIS	WACO
WASHINGTON	DAYTON	ATLANTA	KANSAS CITY	DENVER
BUFFALO	MEMPHIS	MIAMI	OMAHA	SAN FRANCISCO
ROCHESTER		TAMPA		LOS ANGELES

"NATION'S BUSINESS gives us more information

in a short space of time than any publication we receive," writes A. E. Baxter of the Baxter Engineering Company, Buffalo.

Because NATION'S BUSINESS gives the business leader something he needs and saves his time, it is read today by a quarter of a million busy men. If your advertisements are intended to reach such an audience, write to our Advertising Department for details.

NATION'S BUSINESS
Washington, D. C.

When writing to ERNST & ERNST please mention Nation's Business

They had been served smokeless ammunition and their guns weren't built for it. Barrels were red hot. Breech blocks were blowing.

It took nerve to order "cease firing" in the teeth of an enemy charge, but he did it. "Hold your fire till they're close; cool your guns; then fire slowly. Don't let 'em redden up again." Then he sent couriers to the rear for the old smoky shells the guns were built for. He saved the day.

When I first met D'Arcy Ryan I thought of Funston and his battery shooting down solid blocks of buildings in San Francisco to make a fire lane after the fire had swept over fire engines and all police and fire protection. I had walked over hot pavement past lines of ashes of fire hose and the twisted iron of fire engines and had come to Nob Hill where Funston's battery had established its line. There the fire stopped.

Strongest Street Lights

NOW I stood in State Street, Chicago, beside a man who was Funston's counterpart. The lights glowing in front of us had 2,000 lumens. The most brilliant streets lights I had seen before had only 700 lumens. It seemed a revolutionary achievement.

"They're no brighter than Salt Lake's," cut in Ryan in a way to take all the glory out of this achievement. "We just studied Chicago air. We found it so full of smoke and soot that it took 2,000 lumens to buck through where 700 could do it in Salt Lake and Cleveland."

And that was that. He had studied the local problem—and solved it. That sounded like aeroplane defense, Niagara, San Francisco, Cuba—wherever our Modern Aladdin had touched mass lighting.

"It's something to be proud of," I suggested.

"It's nothing," he cut back. "Nothing. It's dismal. Wait. Wait till somebody can be found to build a business street in co-operation with lighting engineers. We can face the skyscrapers on both sides of the street with stucco—stucco embedded with refractory jewels, and when we turn on the midnight sunlight we'll have fairyland outdone. Think of it—lights flashing back from jewels embedded in building walls."

It was vision running ahead of world affairs, from one who has made many visions come true. The vision is here recorded just as that. Maybe some later writer will record how it came true.

Thirty years ago Ryan, then a mere boy, asked the manager of the works where he was employed for \$10,000 to spend in research to discover why one light made things glare and another left dark spots and shadows and caused weak eyes from defective lighting.

The manager heard the request and turned it down flat.

That was Ryan's start as an illuminating engineer and chief of lighting technicians for an electric company he had then but recently joined. This year they handed Ryan \$200,000 for just such research and told him there was plenty more when he needed it.

Ryan studied lenses and color salts to give President Wilson a color salute at San

Francisco. He had to get lenses far larger than any then known. He had to learn salts and their color refractions for large lens work.

The President got his salute, and Ryan thought he was through. But a message of appeal came from England. German searchlights picked up the allied planes; England could not pick up the German planes. They outranged allied searchlights.

What could be done about it? The problem came to Ryan. He must know the salts the Germans used and the lenses. Those big lenses he had made for the President Wilson color salute could be enlarged. But what salts were used in creating the beam of light that reached so far?

A photograph would tell him. He cabled back, asking that an allied plane be ordered to fly into the beam of the German light, photograph it, and that the photograph be sent to him. Soon the photograph arrived. And there was feverish work in the creation of huge searchlights. Ryan found the proper salts. He built a light which weighed four times too much for speedy transportation from place to place. He rebuilt.

This time he cut its weight to a fourth of what it had been. He mounted it on an automobile chassis so that it could be sent at 50 miles an hour from place to place. He set a motor on its main shaft so it could greatly increase its power supply from lines tapped for quick service.

It was sent into war service; but there are bureaucrats in Washington, as everywhere else. They had to fuss and fuss and fuss with the design to put their brand upon it. The pretense was they were "adapting it to military service." Armistice Day arrived before it really reached the allied front. It went into manufacture for American coast defense.

Ryan heard night flying was needed. Here was the *open sesame* to it. The lights were adapted, and safe night flying made possible. The beams of the guiding lights may be seen at night along the nation-wide night mail path—again D'Arcy Ryan's handiwork.

Thinkers Can Work

DR. EDWARD L. THORNDIKE, of Columbia University, was speaking of the mistake it is to assume that an original thinker in a business institution isn't capable of hard routine work.

"It is my privilege," he says, "to know a fair number of original thinkers and workers in science, medicine, the ministry, law, and business. Such men are extraordinarily competent in routine work and strong in mere knowledge. I have studied the ratings of sixty electrical engineers employed by the Westinghouse Company and rated by the company's officers for originality and seventeen other qualities, such as thoroughness, knowledge, industry at routine tasks, and the like. Far from there being any antagonism between originality and industry at routine tasks, or between originality and common sense, or between originality and system, there is a positive correlation—as close as that between industry and enthusiasm, or between thoroughness and system."—F. C. K.

American Exchange Irving Trust Company

NEW YORK

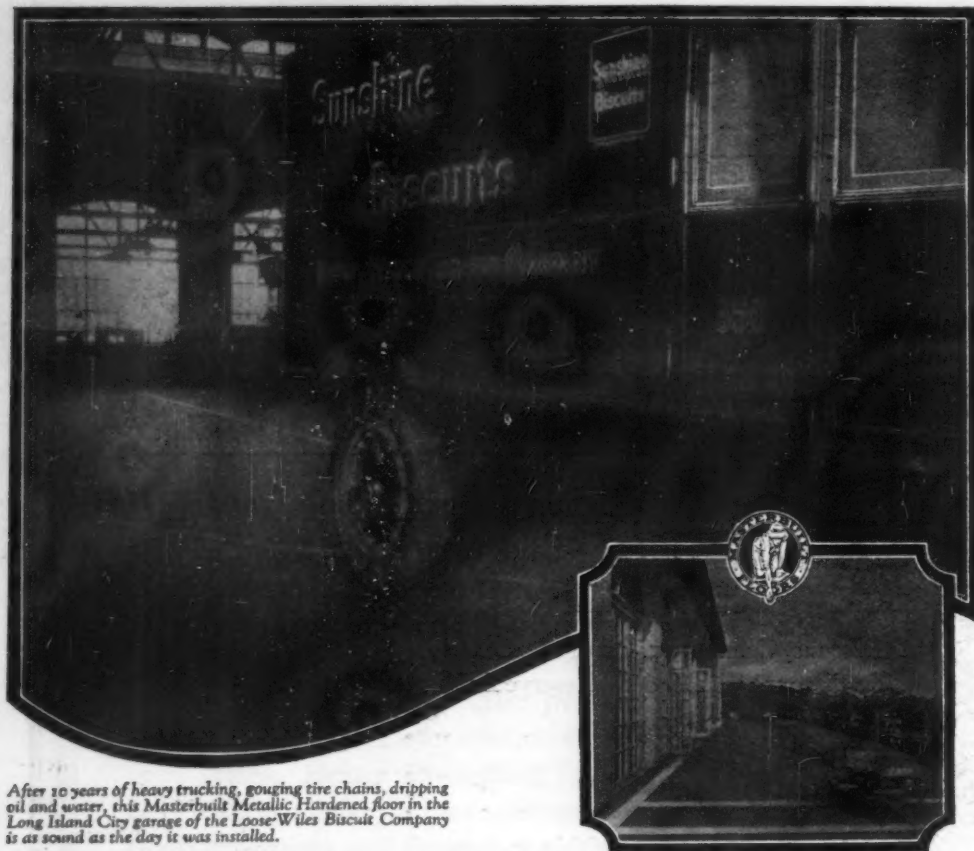
Statement of Condition, March 23, 1927

RESOURCES

Cash on Hand and Due from Banks	\$101,474,419.64
Exchanges for Clearing House	39,528,661.15
Call Loans, Commercial Paper and Loans eligible for Re-discount with Federal Reserve Bank	153,727,367.93
United States Obligations	39,162,378.83
Short Term Securities	42,951,224.13
Loans due on demand and within 30 days	70,276,562.92
Loans due 30 to 90 days	47,142,210.81
Loans due 90 to 180 days	39,619,227.72
Loans due after 180 days	12,222,032.02
Customers' Liability for Acceptances (anticipated \$2,801,986.43)	41,586,165.31
Bonds and Other Securities	12,439,428.92
New York City Mortgages	8,670,704.68
Bank Buildings	3,527,443.50
	<u>\$612,327,827.56</u>

LIABILITIES

Deposits	\$484,521,567.01
Official Checks	16,739,134.78
Acceptances (including Acceptances to Create Dollar Exchange)	44,388,151.74
Discount Collected but not Earned	1,253,393.64
Reserve for Taxes, Interest, etc.	3,134,740.02
Dividend Payable March 28, 1927	1,120,000.00
Capital Stock	32,000,000.00
Surplus and Undivided Profits	29,170,840.37
	<u>\$612,327,827.56</u>



After 10 years of heavy trucking, gouging tire chains, dripping oil and water, this Masterbuilt Metallic Hardened floor in the Long Island City garage of the Loose-Wiles Biscuit Company is as sound as the day it was installed.

Tire Chains or the "Charleston"—a floor for each

TO BE long-lived a concrete floor must be specially built to resist the particular kind of wear it is going to get.

A garage floor, for example, is subjected to the gouging action of tire chains. To resist the pounding, grinding action of chain-equipped trucks weighing from 1 to 10 tons, one kind of a hardened concrete floor is required. The Masterbuilt Floor in the Loose-Wiles Biscuit Company Garage has demonstrated for ten years the superiority of Metallic Hardened Concrete for this service.

The terrace of the Congressional Country Club, on the other hand, required a floor that was full of color, beauty, life—and yet so wear and weather resisting that neither dancing feet nor the beating elements would mar its perfect surface. Here another type of Masterbuilt Floor—the Colormix colored hardened concrete floor, has served perfectly.

Both of these widely different conditions, as well as innumerable other kinds of floor usage are exactly met by Masterbuilt Floors produced by adapting the proper *method and material* to the particular conditions imposed. Scores of such Masterbuilt Floors installed 14 and 15 years ago are still delivering the same maintenance-free, uninterrupted service they did when installed.

THE MASTER BUILDERS COMPANY

Sales Offices CLEVELAND, O. Factories at Cleveland and Irvington, N. J.
In One Hundred Cities

This terrace on the Congressional Country Club, Washington, D. C., has a Red and Green Colormix hardened concrete floor. It is entirely uncovered throughout the year yet used every summer for dancing.

FOR YOUR JOB

To insure your getting the proper floor for your specific requirements, and to insure perfect results, specialists skilled in the installation of Masterbuilt Floors are available. Write for detailed information and "The Book of Masterbuilt Floors."

Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

When writing to THE MASTER BUILDERS COMPANY please mention Nation's Business

"Whom Do You Wish to See?"

By DOUGLAS C. MINER

TO THE thousands of knights of the road who have spent many weary hours studying ceilings of reception rooms or looking out through dirty windows at blank walls while awaiting their quarry, there is nothing new set forth here.

But there are many business men—too many—who give the reception room of their office little thought. It's more than a waiting room; it's the "anxious seat," as we used to call the front row at revival services. It is the place where dreams are dreamed, then smashed with an easy "No," or made true with a "Yes."

More creative ideas, more selling points, are hatched out in the outside room of the average office than in the inner sanctum of the president or sales manager. Yet the motive seems to have been in the past to have that outside room as barren, cold and repulsive to ideas as was possible. In the old days you crammed as much of your face as physically possible in a hole in the wall and asked for your man, then perhaps had the hole closed in said face, leaving you alone in the narrow hallway. Sometimes you shouted through a neat circular hole in a glass until you got the attention of one of Mr. Wrigley's best customers or of the deaf bookkeeper.

Other times you as a salesman may have walked through a warehouse, falling over bales and trucks until you found the darkest corner. There, leaning over a home-made desk, you found your man. Occasionally you were offered a chair. Usually you stood and stood and stood, looking in vain for a place to rest your weary feet.

Classified by Buttons

THERE are still a few offices which cling to these mid-Victorian principles. I recall one which is visited by from twenty to thirty salesmen daily, and which is about ten feet square, with the telephone girl in an alcove at the end. If the salesman is not known or not particularly welcome, he talks to his man in that space, amid a large and curious audience. If you are one of "God's chosen people," you are given a big red button entitling you to admission to the office in the interior of the plant. Just why the button, I never learned. When I took it off I was never challenged.

Times have changed. Today firms seem to be vying with each other to provide comfortable and attractive waiting rooms. Some aren't even businesslike, although usually the man who comes out to see the visitor belies the "Welcome" on the mat by sticking as closely to business as the one who used to talk through the cubby-hole in the wall.

Everything is plainly labeled in the office of today. You can't get lost if you believe in signs. "Information" in nine-tenths of the offices is the telephone girl. She is a very important employee for it is through her that the office maintains its outside contact with the world. She represents John Doe Company to the public. She can

make the road easier for the caller if she will, and she is usually trained to do so. A smile and a good memory for names makes the visitor think his call is important to the firm.

Public relations has become a factor of more importance to business since it has been realized that just as much money can be made if one is polite to one's customers, creditors and competitors. This change in reception of callers is part of the general change towards better business ethics.

I imagine one of the causes for larger and better ventilated waiting rooms today is because of the keen competition for business, which has sent out ten, yes, a hundred times as many salesmen on the road—more firms in business mean more to call on your firm to sell something, or try it. There must be more room for these callers, or they would have to form a line down the block.

More Welcome Reception

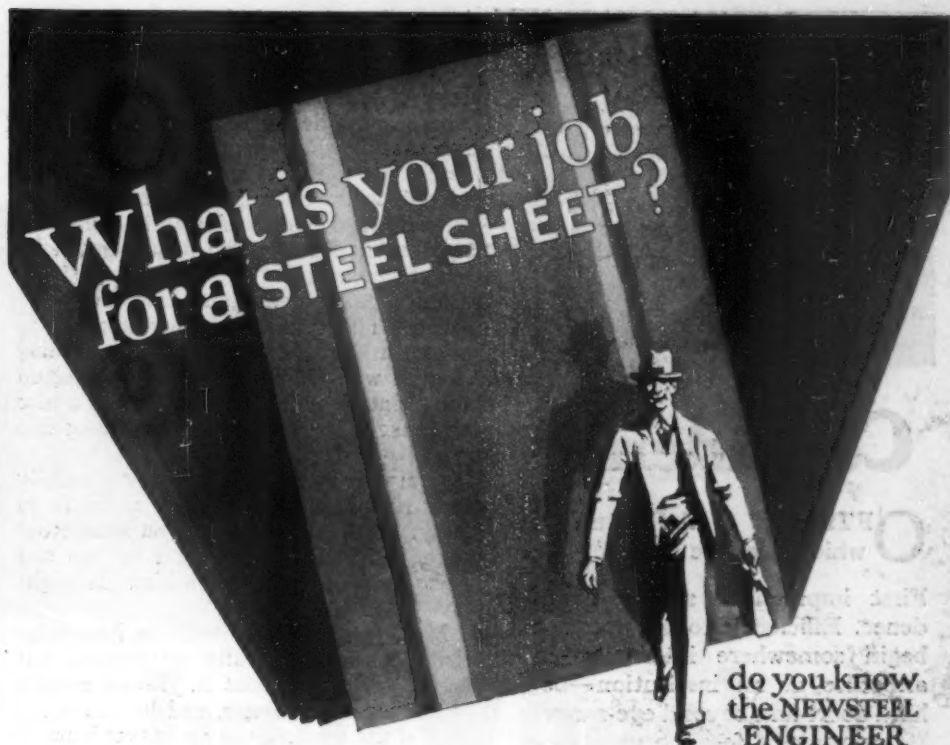
SOME reception rooms are equipped with stationery and a desk where he who waits may write. On the wall are pictures of the plant, framed awards bestowed by world fairs, pictures of the oldest employees, or of those who are on the honor roll for punctuality. Samples of direct mail advertising are discreetly displayed, to be silent salesmen for the product made there. This modern reception room spells good will and an idealism that the old school sneered at.

Of course, even with these changed conditions, the salesman does not always attain his ambition of getting his man behind a desk. He still has to talk to the purchasing agent in the outside room. One would never purchase if one gave half-an-hour to each caller. A number of offices have a conference room, from which the executive can exit easily if high-pressured. This affords more privacy than the public reception room, yet keeps the caller from the inner office.

I have in mind one reception room which certainly deserves the name. It is maintained by a big radio manufacturer. Its Sheraton furniture, its palms and Chinese rugs, its paintings and tapestries from the owner's private collection, all make one think he is in a private home or salon. On a beautiful table at one side are all the latest business magazines in binders. In the center by the door to the inner office is the hostess. One could scarcely call her the "information girl," for she has the hostess personality. She makes you welcome at her house. You do not wait long—in fact, not long enough usually, for the place is so attractive one could spend half a day there. They even have ash-trays, inviting smoking which is so often forbidden.

Many offices are guarded at the outer portals by men who have grown gray in the service of the company. In a large office one of these pensioners may have a corps of office boys to run errands and make deliveries around the office. The telephone, however, is used much more than the office boy. Boys are always playing pranks, or spending too much time in the rest room, or delaying on the third floor to visit with a file girl—well, they're just boys, and the telephone gets there faster.

The "information" employe must be well equipped today. She (assuming it's a girl)

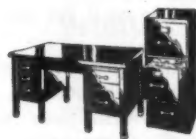


do you know
the NEWSTEEL
ENGINEER

He can save you trouble,
cut down waste in material,
shorten production time,
and reduce labor costs. Inquire
about him.

NEWSTEEL SHEETS are determined *Scientifically*

TO produce Newsteel Sheets—good steel sheets—rule of thumb practice is out of the question. Controlled results, scientifically determined, are essential. Sheet bars are tested for physical properties and metallurgical composition. Olsen, Ericson, and Rockwell tests are applied to annealed sheets. Definitive calculations are made of the stresses and strains to which Newsteel sheets will be subjected—the results of which govern our production processes to an important degree. At every step from bar to finished sheet, quality is scientifically controlled and determined . . . so that in buying Newsteel Sheets you buy assured results . . . and a very notable economy in time, labor, and material.



Up-to-date office equipment made from Newsteel Sheets is your assurance of long life, rugged strength, maximum service and minimum cost.



Closed car doors made of a single Newsteel Sheet in one operation—replacing five or six units. A new and economical use.

*The Newsteel Catalogue will repay close study.
Send for your copy today.*

THE NEWTON STEEL COMPANY
YOUNGSTOWN, OHIO

CHICAGO CLEVELAND DETROIT NEW YORK

NEWSTEEL

The ENGINEERED Steel Sheet

When writing to THE NEWTON STEEL COMPANY please mention Nation's Business



Confidence

OFTEN, it is the "stuff of which sales are made."

First impressions supply confidence. Efficiency, today, does not begin somewhere internally—in an office or an institution—behind doors and beyond eye-range! Its presence is felt the very moment you stand at the threshold, hand on the open door.

Globe-Wernicke Counter Height Units bridge the gap of friendliness in business—they express efficient service. Their sanitary, pleasant-to-the-touch, green, heavy battleship-linoleum top, bound in bright gleaming brass, invites the prospect who stands at your door. Their full-depth filing capacity—three drawers high—gives you double advantage of your space, as files and as counters.

They can be grouped to fit your office space, added to as desired—and there is a G-W Counter Height for every need.

The "life everlasting" built into these units will win *your* confidence when you see them at your dealer's store. Ask him for a copy of the booklet "Globe-Wernicke Counter Height Filing Cabinets," or mail the coupon today.

Globe-Wernicke

Cincinnati

The Globe-Wernicke Co., Dept. N-5
Cincinnati, Ohio

Gentlemen:

Will G-W Counter Heights bridge the gap between us and our prospects? We'd like to see their many uses put to work. Mail us a copy of the booklet "Globe-Wernicke Counter Height Filing Cabinets."

Name.....

Address.....

City.....State.....

is usually easy to look at, yet not overdressed. She must know every department of the company and the proper man to refer visitors to. She must know the full names and titles of each major executive. She must have in her mind, or within quick reach, the telephone numbers of the executives' homes and of the principal firms with which they do business. She must remember a dozen calls at once and take care of each one.

She must be polite, and have the "you" attitude about which we hear so much in salesmanship. She is a salesperson, dealing in good will. If the executive tells her on the phone to get rid of Mr. Jones in a nice way, the story he hears is something like this:

"I'm very sorry but Mr. Blank is awfully busy right now and is getting ready to go away. He'll be glad to see you some other time, and if I were you, I'd call up and make an appointment with him. It might save you a trip."

Mr. Jones goes away with the knowledge that he has been neatly sidestepped, but he can't feel bad about it. Honey catches more flies than vinegar, and he knows it's part of the game. Such an answer is much easier to swallow than a blunt "Not interested."

The cleverest outside greeter-employees seem, without actually saying so, to say to the caller:

"I'm here to help you, and I'm going to do all I can to get you to the right party. We may have a little difficulty, but if you'll be patient and reasonable we'll get our objective."

If every firm would apply the Golden Rule—"Do unto other salesmen as you would that men would do unto your representatives"—the life of a traveling man would be sweeter. But it is a great deal more pleasant today than it used to be.

What One Buyer Thinks

THE OTHER side of the picture has its problems, too. The buyer and the executive who meet salesmen have difficulties of their own. Sometimes salesmen kill sales instead of making them. Light on this side is thrown by John Poole, president of the Federal-American National Bank, Washington, D. C., in a recent interview reported in *Printers' Ink*. To quote some excerpts:

"Late last fall, I read an advertisement of a proposition that I thought the bank might adopt to advantage. I referred the advertisement to my secretary and requested her to write for information and prices. She wrote the advertiser over her own signature and explained that I was very busy and did not wish to interview a salesman.

"In reply, the advertiser addressed a letter to me and sent me several pieces of direct advertising, including an illustrated book which, the letter explained, told the whole story. All of this material I placed in my desk for future reference, after looking it over, and whenever I had a little time I studied the proposition, expecting to make a decision about the first of the year.

"About two weeks after the advertising material arrived, I had a call from a rep-

resentative of the company. Although he got into my office by methods which I do not consider entirely honest, I courteously explained to him that I had not gone into the matter sufficiently to warrant a decision, that I was exceedingly busy, and that I would not be able to discuss the subject with him. He then insisted that I see him later in the day, or the next day, and when I refused he demanded the immediate return of the advertising material his company had sent me.

"He did not get the material. I told him that I did not believe his company had instructed him to ask for a return of the material, and he left my office. The incident was exceedingly annoying, and the house was just as responsible for it as the salesman. The home office deliberately disregarded a simple request which I had every right to make, and I feel sure that the action of the office and the attitude of the salesman will prevent the placing of an order with them by my organization.

Salesmen Use Subterfuges

HARDLY a day ever goes by that one salesman or more does not request my secretary to give me a personal card with the request that I see the caller for a few minutes. When told that I am very busy and asked if some other official of the bank cannot attend to the matter, he invariably replies that he must see me. Then when my secretary asks him what his business is, he replies that he is anxious to see me on a 'personal matter.'

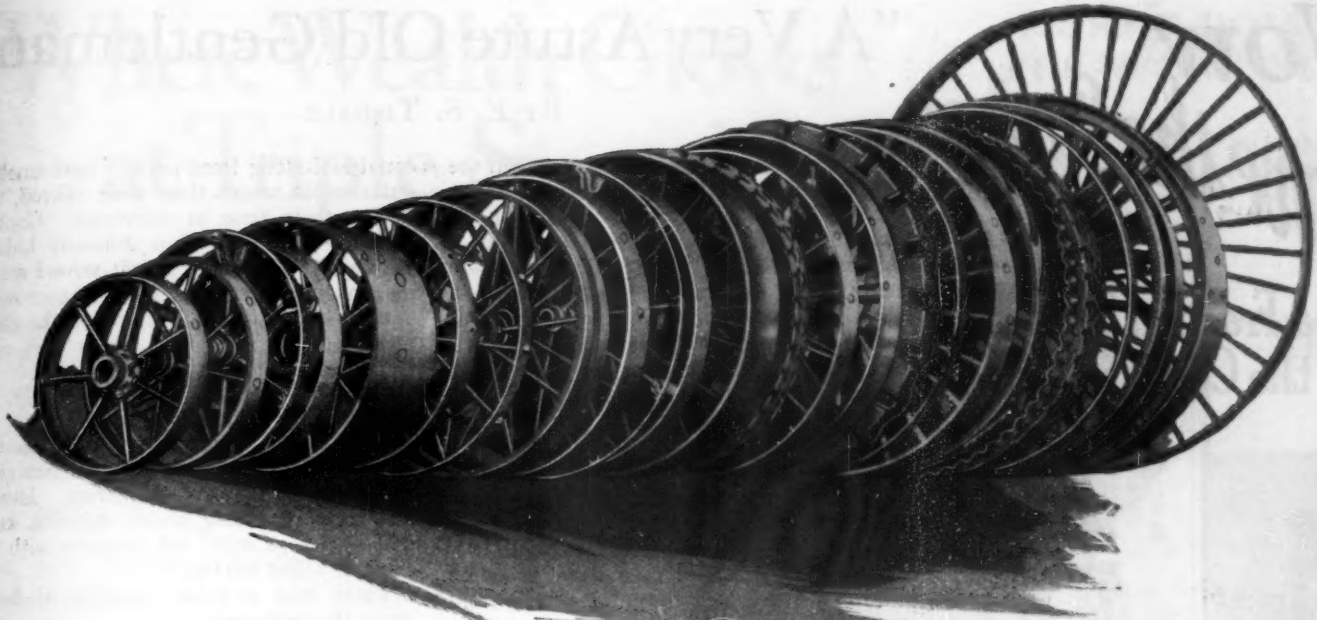
"This dodge usually works, so far as a brief interview is concerned. It has got a good many salesmen into my private office, but not one of them has ever secured an order from me.

"A discussion of this kind, I feel, should close with a constructive illustration. I have mentioned some selling practices that are deterrents to selling. Now I want to show the other side of the picture. A salesman called on me this morning who was just about what a salesman should be, in my opinion. While we did not place an order with him, I am quite sure that on his next call he will find that he has made a valuable business connection with us.

"He gave a business card to my secretary, and told her that he would like to see me for about ten minutes. She read the card and informed the salesman that I was very busy and that she thought another official could just as well consider his proposition. He willingly and courteously talked to the official, and after the interview the official sent him to me.

"When I saw him, he did not deal with any long preliminaries, but got right down to business. He talked for about seven minutes, and then consumed about two minutes in answering several questions. He was courteous—obviously a gentleman. He did not make a single statement that indicated subterfuge or misrepresentation. He gave me some information that I can use to advantage.

"It was evident that he had taken some trouble to learn something about our policy before he called, and he made a splendid impression. I shall remember him because I want to do business with him. We want to see more salesmen like him."



Just Wheels

Within every factory and every department in a factory there is specialization. One man designs a better motor, another makes a better gear. Each becomes a specialist and the World profits by a better product.

French & Hecht specialize in the design and manufacture of Steel Wheels of all kinds—for Farm Implements, Industrial Tractors, Road Machinery, Motor Trucks and Busses, Trailers and other equipment.

French & Hecht have specialized for years in the research and study of wheel application and engineering and have developed more steel wheels than any other organization in America.

So extensive has been the experience of this organization in the development and manufacture of steel wheels for all applications that French & Hecht service means a distinct saving to manufacturers, and always the assurance of a wheel that is mechanically correct.

The important features that distinguish all French & Hecht steel wheels are:

Correct design for every application.

Each spoke is heated and forged in the hub, forming a head on the inside and a shoulder on the outside, similar to a boiler rivet.

The outer end is expanded in the rim with a shoulder on the inside and a riveted head on the outside.

There can be no other Steel Wheels like French & Hecht because the essential features of construction are exclusively French & Hecht.

FRENCH & HECHT

Wheel Builders Since 1888

DAVENPORT, IOWA

SPRINGFIELD, OHIO

FRENCH & HECHT

STEEL WHEELS

When writing to FRENCH & HECHT please mention Nation's Business

Now Save the Surface

At a Fraction
of the Cost!



Spray-Paint Interiors without interfering with business routine



Spray-Paint Exteriors, Court Walls, Elevator Shafts

Paint by machine—save the cost of hand brushing. The difference will surprise you.

Own your own spray painting outfit. Any man in your plant can quickly learn to cover 1000 square feet and over per hour with the easy-to-operate Binks Spray Gun. Once you own a Binks Spray Painting Outfit, your entire business establishment will be frequently refinished both inside and out. You will protect your property investment for all time.

Owners of factory and office buildings, hotels, hospitals, schools—builders, contractors, etc., are finding the Binks Spray Painting Outfit the best paying investment in their maintenance departments.

Here is a one-time investment that will pay for itself the first year and save you 60% to 80% of your painting costs for years to come. Further interesting details will be cheerfully mailed upon request. Write today.

BINKS SPRAY EQUIPMENT COMPANY

Dept. E, 3128 Carroll Ave. Chicago, Ill.

Offices in Principal Cities
ESTABLISHED 1898

"A Very Astute Old Gentleman"

By F. S. TISDALE

DURING the Russo-Japanese War the steamer *M. S. Dollar*, loaded to her Plimsoll mark with supplies for the Russian armies, was pounced upon by a Japanese gunboat. The ship's papers were naturally reticent about her intentions, so she was escorted into a Japanese port. Her owner was Captain Robert Dollar. In accordance with the laws of nations a court invited him to appear and show cause why the *M. S. Dollar* should not be declared a prize of war and confiscated with her cargo.

Stanley Dollar, a son of the captain, accepted the court's invitation. He had immediate evidence that the Japanese secret service had been functioning as usual.

"Mr. Dollar," said the suave presiding judge, "you received yesterday a letter from your father mailed in San Francisco. Let me see it."

The letter was handed over. After the judge had read it his face relaxed into a smile of Oriental appreciation.

"Ah," said he, "your father refers to the freighter in question. But we do not learn much from his letter. He says her destination is the Orient, and the Orient is a large place. Your father must be a very astute old gentleman. I should like to meet him."

Cause to the contrary not being shown, the *M. S. Dollar* was seized and used for the remainder of the war as a Japanese troopship. Subsequent developments bore out the judge's estimate of her owner's capabilities. There was a big war on, and a big war hikes the price of tonnage. Captain Dollar had insured his freighter for \$180,000, a fair, fat figure for those days. This insurance was collected on the loss of the ship.

Sale of Government Ships

NOW THE cessation of war deflates the price of tonnage. It was thus with the Russo-Japanese argument. After peace was declared the Japanese Government found on its hands a great fleet of merchant shipping for which it had no use. Among these ships was that fine freighter, the *M. S. Dollar*. She was put up for sale. All these things had been under the eye of the astute old gentleman who had owned her. When the hammer fell (if they use hammers for ship auctions in Japan) Captain Dollar was again owner of the steamer. For \$55,000 he bought back the ship on which he had collected \$180,000 insurance.

Time is no respecter of persons, astute or otherwise. When Captain Dollar was almost eighty he embarked on a venture which convinced many that he had at last succumbed to the infirmities of age. He amazed his home port of San Francisco and the shipping world with the announcement that he was going to start a round-the-globe service for freight and passengers with fast ships flying the American flag.

You have to be in the shipping business to appreciate what that meant. In the first place such a service was unheard of in all history. The wise ones granted that it might be done with freighters which

could loaf along from port to port smelling out cargoes where they were offered, and taking their time in deliveries. Captain Dollar's plan was of a different kidney. He wanted to initiate a split-second schedule; he would start a fast steamer every two weeks and dispatch it around the globe, making stops at distant ports just as a train makes the stations on its run.

American Ships Proposed

BUT THAT wasn't the worst. Captain Dollar proposed to operate American ships on this unheard-of service. Anyone who knew anything about shipping knew that our ships could not compete with the ships of other nations.

There was a great wagging of heads along the seaboard.

"The old boy is gone this time," said the pessimists; "he's like all the rest of 'em. Never satisfied to let well enough alone. I'll admit that Captain Dollar is a canny old man, but shipping is a dangerous business. He sure has bit off more than he can chew this time. He'll go broke or crazy—or both."

Captain Dollar was too busy to listen to these lugubrious warnings. He went right ahead organizing his unheard-of service. He bought seven fast passenger steamers from the Shipping Board, and on January 5, 1924, the *President Harrison* steamed out through the Golden Gate inaugurating the round-the-world schedules.

Three years have vindicated beyond doubt the audacious plan. Captain Dollar is now thirteen years beyond the biblical allotment of three score and ten, but he is just as busy as ever. He travels nearly all the time, tightening screws and applying oil to the wheels of his organization. Many of the shipping men who foretold dire things for his service have since gone out of business. The Dollar liners leave regularly every two weeks on their methodical circling of the globe. With a few exceptions they have held to the schedules laid down in the first instance. Both the cargo and passenger business is thriving. Growth has made necessary the addition of an eighth steamer to the run. There can be no more doubt as to the success of the enterprise. Ports which had almost forgotten what the American flag looked like may now familiarize themselves with it as it flies on the Dollar liners.

By what magic has this astute octogenarian accomplished a feat that would have daunted any other shipping man in any other country?

There is no magic about it. Captain Dollar says that anyone can duplicate his record by following his simple formula. A small incident will illustrate how it is done:

The head of the Dollar Steamship Line was standing on one of his San Francisco docks watching the unloading of a ship from China. A sling came down bulging with crates of tea. These crates were covered with matting for protection. As the sling load touched the dock Captain Dollar

Where Wealth Grows at Triple Speed

HORSE POWER PER WORK MAN

Rank the leading countries of the world in the order of their industrial strength . . . and you have ranked them in the order of their horsepower-per-workman. You can readily see how it works out from this table:

China .12	France .97	England 2.4
Italy .31	Germany 1.5	Total U.S. 3.6

As the horsepower-per-workman increases, prosperity increases. In Piedmont Carolinas the horsepower-per-workman is 4.25.

DOES that explain why per capita wealth is increasing there *three times as fast* as it is in many other states?

While wealth marches at the quickstep in Piedmont Carolinas, this region is far from completely industrialized. (Latest census figures show four counties with 252 industrial wage earners out of 74,000 population—less than 4/10 of 1%!)

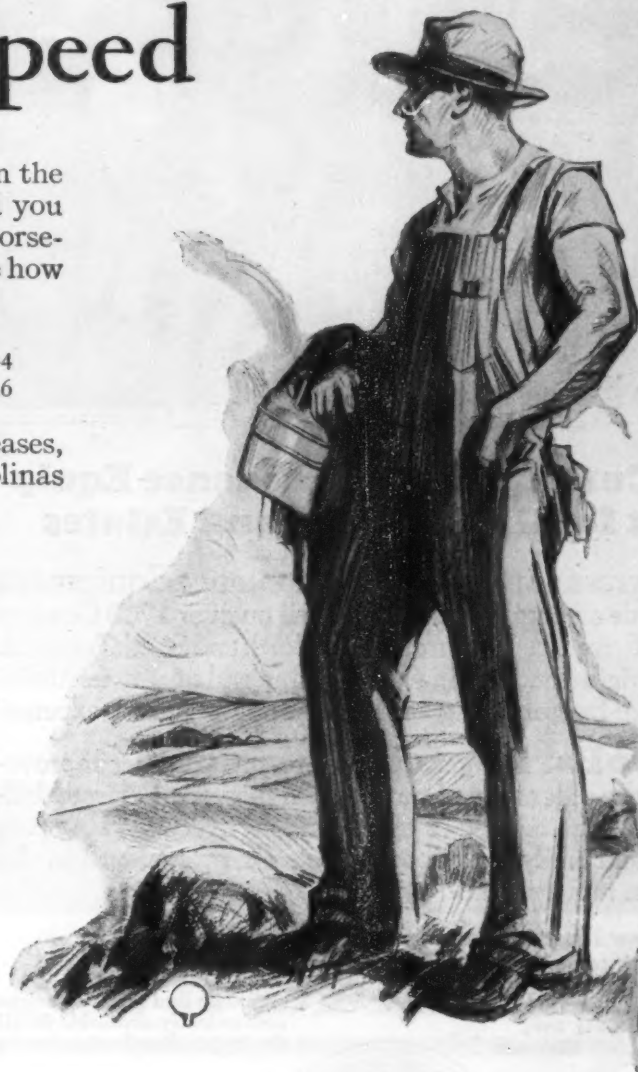
Throughout this section, less than one fourth of the total labor available has been recruited to industry. Three times more men are ready for jobs in mills and manufacturing plants than have them.

With so many men working on small farms, living expenses are low. Food, housing, fuel, clothing and many other items are lower. One careful estimate is that living costs the Piedmont Carolinas workman \$7 per week less than it does the average workman in older, more highly industrialized sections of the country. And usually his standard of living is higher.

There's more elbow room. He spends many more weeks out of doors. There is a complete lack of un-American ideals.

These all help to explain why the total wealth has increased 660% in the last 20 years—33% a year. They explain, too, why alert, experienced business men have established themselves here and made relatively small investments grow into substantial fortunes.

You ought to have all the facts about Piedmont Carolinas—"Where Wealth Awaits You." *You can get just the information you want by writing to our Industrial Department, Room 102, Mercantile Building, Charlotte, N. C., which gladly places its facilities at your service.*



PIEDMONT
CAROLINAS
4.25

Average U.S.
3.6

England 2.4

Germany 1.5

France .9

Italy .3

China .1

To Owners of Large Businesses

You can dominate the market for your goods by creating a "monopoly of advantage" over competition—in lower costs, lower overhead and increased production.

See how it has been done by southern mills in the textile field, with abundant labor, smaller investment in land and buildings and a productive 10-hour day. Investigate, fully.

To Men Starting Small Businesses

Every outstanding business success is based on taking advantage of all the supplemental aids to growth supplied by a rapidly and soundly developing community. No other part of the country offers such opportunities to industry and the individual. Write.

Markets

With 5,000 miles of broad, modern, hard surfaced roads a network over the region, shipment by motor truck supplements the service of 6,000 miles of railroads in transporting goods to market.

Some idea of the potentialities of nearby markets may be gained from the fact that annually Southern textile mills purchase \$107,000,000 worth of equipment and supplies.

The South imports from other states some \$45,000,000 worth of ceramic products—chinaware, electrical porcelain, floor and wall tile, sanitary ware, and refractories.

Practically all of the textiles used in the furniture industry are imported, together with much of the hardware and fittings used by that industry.

And the Carolinas alone yearly bring in \$335,000,000 worth of foods and feed products.

The possibilities of supplying these and many equally rich markets in other lines afford splendid opportunities to those who are able to profit by the many advantages of the Piedmont Carolinas.

DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }



Grass Cutting and Maintenance Equipment for Golf Courses and Estates

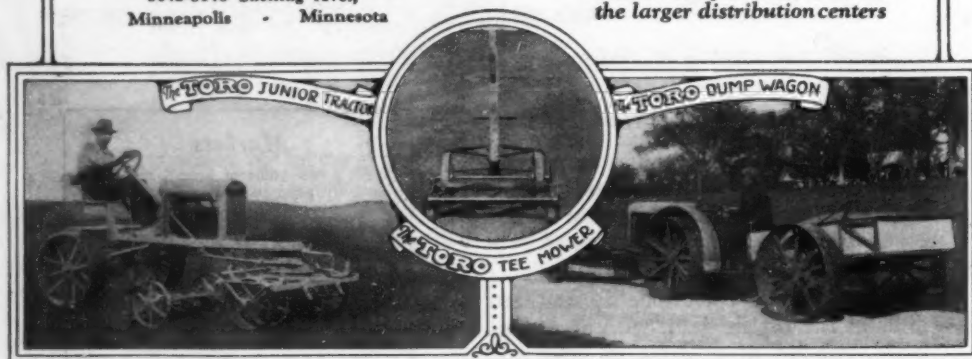
TORO grass cutting and Maintenance Equipment has made an enviable name for itself on over 1700 Country Clubs and Private Estates throughout North and South America. Built up to rigid standards in workmanship and quality, it is delivering trouble-free service at the very minimum of upkeep expense.

The Toro Park Special represents a distinct improvement over the older type of power lawn mowers. Perfectly balanced, with extreme ease of operation and every working part accessible and easily understood, it sets a new standard in the power lawn mower field.

New illustrated catalog showing complete line of maintenance equipment will be sent on request.

Toro Manufacturing Co.
3042-3146 Snelling Ave.,
Minneapolis - Minnesota

Agencies and service stations
conveniently available in all
the larger distribution centers



American Business Looks into the Future

American business, sweeping forward under the play of new economic forces, finds it more necessary than ever to look into the future.

The New Business Era in its many phases is being considered by the business leaders of America gathered in Washington at the Fifteenth Annual Meeting of the United States Chamber of Commerce.

This meeting will be reported in full and authoritatively interpreted in the EXTRA EDITION of NATION'S BUSINESS, out May 15. Regular subscribers to NATION'S BUSINESS will receive one copy of the Extra Edition free.

Additional copies may be had in any amount at 10 cents a copy. We will address and mail them for you at no extra charge. Send in your order now.

NATION'S BUSINESS, Washington, D. C.

signaled to a workman. Pointing to a tea box, he said:

"See that torn matting there at the corner? Get a needle and sew it up."

To one school of business philosophy it would appear foolish and extravagant for the head of a great corporation to be snoopng about bothering his head with such unimportant details. To the Dollar school there is no such thing as an unimportant detail. Observe the inner significance of the incident of the torn matting:

If you are careless about the way your cargo comes overside, the stevedores will be careless, too. With the possibility of "the old man" popping up to "bawl them out" for rough handling, the men are going to get the habit of handling Dollar cargoes with tender solicitude. Also the torn matting meant the possible loss of tea inside. If the tea was lost, there would be a claim against the Dollar line. Even if the claim was not allowed there would be the office expense in handling it and a feeling of dissatisfaction with the company which made it. Thus it becomes quite simple. The best plan is to handle cargo so that there will be no necessity for claims.

An Airtight Organization

LEAKS have bled many a good business to death. You can imagine the possibility for leaks in this immense organization with ships and offices all over the world. Captain Dollar makes it his business to see that his organization is airtight.

When old ropes are replaced by new on the Dollar ships, the discarded lengths are worked over into bumpers and fenders. Scrap from engine room tinkering is hoarded and sold. All possible repairs are made by ships' crews. Travelers on Shipping Board steamers see immense quantities of spoiled stores cast to the sea. A recent traveler told me of entire sides of beef and crates of eggs tossed overboard to appreciative gulls.

If this were to happen on a Dollar ship, a whole department probably would be cleaned out. You cannot skimp your passengers on food, and to meet competition Dollar liners set as good a table as any. But buying is reduced to a science and all supplies are handled so economically on board that little remains to be dumped overside.

On the Pacific coast they say, "You never see gulls following a Dollar ship."

Captain Dollar takes that for a compliment. He is not in the business of feeding sea gulls. It is his care to keep his passengers satisfied. The gulls are free to fatten on the foolishness of his competitors.

Economy is but one side of the Dollar philosophy; you could shave your expenses to the irreducible minimum and still lose money if you didn't have business for your ships. This lively octogenarian travels on the theory that business does not hunt you up. You must go out and get it. And if you go out after it and keep your eyes open you will find it where others have overlooked it. There are plenty of stories to illustrate how this works.

On one of Captain Dollar's many trips to the Orient he visited an inland office and its resident manager. After the usual greeting the chief's keen eyes began ex-

A Retail Store that Knows its Market

and gets a large repeat business by mail advertising to a classified list of customers and prospects.



the typewriting **MULTIGRAPH**

How a Multigraph Sells Dr. A. Reed Cushion Shoes in Cleveland

Mr. W. R. Caldwell, President of the retail concern which handles these shoes at 1930 E. 6th St., Cleveland, tells the story.

"Speaking broadly, our chief problems are: (1) Who has the purchasing power to buy Dr. A. Reed Cushion Shoes at from \$10.00 to \$15.00? (2) How many people of this buying power are there in the city of Cleveland and how many of them may buy or need our shoes? (3) Where, geographically, do they live? (4) Through what avenues can we reach these people with advertising and sales messages? (5) By what kinds of messages can we influence these purchasers to buy our shoes? Now, in order to solve these problems, I am going to offer 'Direct-Mail Advertising.' In fact, I believe direct mail

is the only solution from an economic standpoint.

Advertising to the Right Persons at the Right Time

"If you want to advertise men's comfort shoes, you don't have to tell the girls about it. If you want to advertise the newest creations in ladies' footwear for spring, you don't need to tell all the men in town about it. If you have a lot of farming implements to sell, why tell it to people that live in apartments, that probably never saw a farm and couldn't take them if you gave them all you had free? Why not tell the people that can use them? Certainly that is plain common sense.

A Classified Mailing List

"Our mailing cards show the date, stock number, size and width, salesman's number and price of each purchase. These cards are filed alphabetically into different files, namely,

Men's City—Men's Out of City—Women's City—Women's Out of City—Active and Inactive. Our addressing files correspond with our records, so that we can select any class of customer to whom we wish to send advertising at any particular season. It is remarkable what you can do in a small office with the aid of the Multigraph and modern addressing and visible indexing equipment.

"It takes a lot of hard work day in and day out, because you can't get the facts without working to get them, and I honestly believe this is one reason why direct-mail advertising hasn't been used more successfully by the average store."

Mr. Caldwell's story is unusual because of the very efficient way in which he has built advertising on knowledge of distribution. It is not unusual in so far as direct-mail success with the Multigraph is concerned. Any of our offices can give you many examples—in big business as well as small business.

THE AMERICAN MULTIGRAPH SALES COMPANY, 1806 East 40th Street, Cleveland, Ohio

(Also listed in telephone books of fifty principal cities)

The Worker's Wife

THIS advertisement is about group insurance, a matter which is sure to come up for the consideration of modern business executives. Group insurance is no patent panacea for the employee problem; but it is a most potent help.

Consider only one angle:—the worker's wife. In case of death or disability to her husband it is she and her children who benefit by group insurance. This means that she is going to help you in the matter of the man's contentment and co-operation in his job.

This is only one of many far-reaching influences involved in group insurance.

We have two booklets, "Management, Men and Motives" and "Group Life Insurance," which throw light on this question. Your local John Hancock office will be glad to send them to you, or they can be obtained by writing to Inquiry Bureau

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.
NB

Get These DETROIT Facts



WITHIN the last few years Detroit has become internationally famous as the world's richest industrial city.

The statistics of this growth—facts almost unbelievable—have been collected in an interesting book "The Golden Deluge" by a 24 year old company with 70,000 clients. Send 10c for a copy, with valuable city map and street guide.

Ask about Westwood Hills, residential investment property near Henry Ford's Home.

The Stormfeltz-Loveley Co.
Michigan's Largest Realtors
210 BAGLEY AVE. - DETROIT MICH.

ploring the room for signs of waste and extravagance. From the direction of the window an unwonted sheen caught his glance. Examination disclosed that the manager's office windows were guarded against flies by a hand-made netting of solid brass. An explanation of this screen was immediately requested.

"Why, captain," explained the unruffled manager, "I had that screen made here for less than I could get ordinary netting from the States. Labor costs practically nothing and the metal is cheap, too. There is one of the world's biggest copper mines near by."

Captain Dollar pricked up his ears. "Where is this mine?" he asked.

The agent gave directions, and next morning Captain Dollar disappeared. In a few months Dollar ships were carrying the export of that copper mine. His rivals had completely overlooked it because it was off the beaten track.

"Senior" Still on the Job

IN SPITE of his age, Captain Dollar takes a trip on his ships almost every year. He does not sit in a steamer chair or play shuffleboard. He pokes about in all manner of out-of-the-way holes and is continually unearthing some raw commodity available for cargo that has been overlooked by rivals who prefer to stick to towns where the hotels are good.

They call him "Senior" in the organization. He regards his employees as a large and well-behaved family; they regard him with affection and awe. His memory is a byword. It is merciless where carelessness is concerned. While he was in one of his European offices it cabled to an American office for certain information. A hurrying clerk swept the query into a desk, and it lay unanswered for seven days. The cable did not concern Captain Dollar, but he heard of it and kept it in mind.

Months later he visited the American office where the delay had been committed. After the usual greetings and inspections he said casually to the manager:

"Let's see your cable file."

The file was produced, and "Senior" ran through it until he found what he wanted.

"What's this?" he demanded wrathfully. "A cable that went seven days without an answer! Cables cost money! Let me tell you, young man—"

He proceeded to tell him. The captain is deeply religious and he never takes the name of the Lord in vain. But he has substitute explosives that carry a sufficiently heavy charge.

The story of Captain Dollar's life is the sort that has delighted and encouraged men throughout every age. It is the record of a boy born to poverty who through his own perseverance and powers attained wealth and honors that made him a world figure.

Robert Dollar was born in Falkirk, Scotland, in 1844. The family was very poor, and the father drowned his troubles at times in a manner typical of the country. This made a deep impression on the boy. Long afterward he said:

"It made a strong temperance man of me, and I vowed I would never touch liquor as long as I lived. This vow I have re-

ligiously kept, and to that resolution I attribute most of my success in life."

The family migrated to Canada in 1858, where the boy got a job in a lumber camp. He was assistant to the shanty cook. To supply his lack of education he studied and read by the light of log fires—in some of the camps they didn't even have candles. When he grew up he went into the lumber business himself. In 1882 he moved his operations to Michigan, where he bought every acre of government timber he could lay his hands on. The price was \$1.25 per acre when he bought; but when he moved to California in 1888 the success of his mills and the increase in the value of timber lands made him a rich man.

Buys in Slack Periods

CAPTAIN DOLLAR went into the timber business on the Pacific coast, and it was out of these operations that his shipping ventures grew. There was plenty of demand for his lumber output but a scarcity of ships for delivery. He began buying his own schooners. His policy is: "Build from small beginnings but on a firm foundation." Wherever possible, his companies buy outright the facilities necessary to their activities. They own mills, ships, wharves, feeder lines, and office buildings in the great centers. When slumps are abroad in the land these companies exhibit unusual activities. Prices are low then and Captain Dollar can always pay cash. In the dark days of 1920-21 he bought more tonnage. During slack periods "strengthen and consolidate."

You remember the disastrous panic of 1907? How many companies can glance back at their records and duplicate the entry Captain Dollar made in his diary:

"Nineteen-hundred-and-seven was a year of financial panics, but fortunately we had been prepared beforehand, so it did not affect our business to any great extent."

This beforehandness has made it possible for the Dollar interests to step out and buy, not merely ships, but whole fleets of ships when they saw opportunities for using them profitably. The seven steamers that went into the round-the-world service were purchased in 1923.

Counting the liner recently added to the round-the-world service, the Dollar interests have bought eighteen crack passenger steamers from the Government since 1923; they total 281,000 net registered tons. This, mind you, is in addition to the original Dollar freighters. There are about twenty-three freight steamers and sailing vessels with a deadweight capacity of 133,038 tons.

It is not possible that one man could create such an organization by himself. Captain Dollar makes no such claims. He gives full credit to Mrs. Dollar (he calls her "Mother") and to his three sons. Stanley Dollar is his father's chief lieutenant in the shipping business. Harold Dollar is the Far Eastern representative and Melville Dollar is in charge of vast lumber interests in the northwest. The sons have had a Spartan training, so that there is nothing to fear for the future of the business. But all who know Captain Dollar hope that the astute old gentleman will round out a full hundred years before he lies down to take his first real rest.

"STEEL"
Another Presentation
on GRINDING
by
NORTON COMPANY
WORCESTER, MASS.



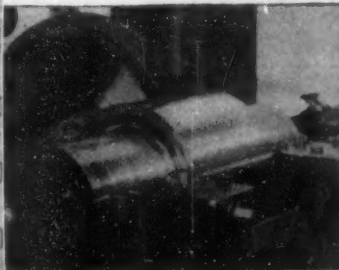
Snagging. Amid a great pyrotechnic display, superfluous steel is removed from castings with marvelous speed by means of grinding wheels and various types of grinding machines



The rolling mill transforms steel ingots into billets, fashions steel rails, armor plates and structural steel-and here is the starting point for the thousands of labor and time-saving machines and the great engines of commerce.



The ponderous steel mill rolls, some 40 inches by 15 feet or larger and weighing around 35 tons, are finished to mechanical perfection on giant NORTON GRINDING MACHINES over 50 tons in weight



NORTON

Grinding Wheels
Grinding Machines



Refractories-Floor
and Stair Tiles



Depreciation = Destruction

A motor truck plunges over an embankment, is wrecked. Destruction is complete, immediate, obvious.

Another truck rounds out its first ten thousand miles, is partially worn out. Its destruction is piecemeal, hidden, but real.

The first loss may be protected by insurance. The slower one must be protected by depreciation. Both are a charge to operations.

Accurate depreciation allowances can be most safely computed on the basis of American Appraisals.

The American Appraisal Company

MILWAUKEE

Public Utilities • Industrials • Real Estate Properties • Natural Resources

A NATIONAL ORGANIZATION

The New Business Era

More real change in business methods, business problems and business opportunities has taken place since the Armistice than during the twenty-five years that went before it.

The New Era of Business is being discussed from every angle by 3,000 business leaders from every section of the country, gathered in Washington at the Fifteenth Annual Meeting of the United States Chamber of Commerce.

An accurate, vivid story of this meeting and its discussions will be contained in the EXTRA EDITION of NATION'S BUSINESS, out May 15. NATION'S BUSINESS subscribers will receive one copy of the Extra Edition free.

Additional copies to give to your customers, employees, business friends, may be secured at actual cost, ten cents each.

We will address and mail the copies you order at no extra charge. Order now.

NATION'S BUSINESS, Washington, D. C.

When writing to THE AMERICAN APPRAISAL COMPANY please mention Nation's Business

Moving an Army in Peace Time

MULTIPLY by twelve the largest organized peace-time trans-oceanic passenger movement in history; add to it a round thousand or so more, and you have some idea of what the American Legion's pilgrimage to France this fall really means.

It marks the tenth anniversary of the landing of the A. E. F. in France. The largest previous movement of the kind was that of the American Bar Association to London for its convention in the summer of 1924.

Thirty thousand World War veterans with their families, from a thousand scattered points in the United States, will be assembled in special trains which will carry them to seven ports from Montreal to Galveston. Twenty-eight specially chartered ships will carry them across to four ports of debarkation—Cherbourg, Le Havre, Boulogne and Antwerp—where special trains will take them on to Paris, arriving there Saturday and Sunday, September 17 and 18.

These special trains, no two at one time, will run at regular intervals throughout two days. Thirty-five trains, five hundred passengers each, will arrive in Paris the first day and twenty-five on the second. A huge fleet of taxis will run on a fixed schedule to fourteen hundred hotels. The Parisian gendarmerie will arrange to keep the stations clear of other cars.

Old Familiar Places

THE VISITORS are to see Paris, the battlefields and the cemeteries. Two hundred and fifty tours to other parts of Europe have been arranged and special passport and visa privileges provided for. Health and accident insurance with special features appropriate to the tour will be available.

A month later, these tourists will be returned to their homes with the same careful and detailed plans, worked out far in advance. So well has the Legion planned this immense undertaking that it began months ago to organize savings clubs in six hundred banks in various cities so men might finance their trip.

Even the transportation of America's soldiers overseas during the last war offers no precise parallel to the proposed voyage. Fifty-four steamers, headed by the *Leviathan*, compose the fleet that will carry them to Europe and home again. The largest convoy during the war is said to have had only seventeen vessels. This fleet displaces over a million tons. The entire Shipping Board fleet displaces just a little over one hundred thousand tons.

When the French Government's invitation was read at the St. Paul convention in 1924, a legionnaire turned to the crowd and said, "Fine, but it can't be done." The France Convention Committee has proved that it could be done. And the cost per person will be unusually low. A saving of \$128.75 per person was effected on insurance, luggage, steamship and railroad rates, tax on tickets, passports and visas.

The railroads of this country were able to give reduced rates because the sailings were from seven ports. One port would have caused a heavy loss to them in the return of empty passenger cars to their points of origin. The railways of various allied countries in Europe are offering half fares.

To move this gigantic group of people to France and back on schedule time is a vast undertaking, but with modern highly developed and efficient transportation systems, it will no doubt be accomplished as planned.

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of *NATION'S BUSINESS*, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—*Editor's Note.*

THE COMMISSION has ordered two individuals trading in furniture as a partnership and a corporation to discontinue the use of certain unfair business practices in connection with the sale of furniture at retail. The respondents, according to the Commission's findings, have for more than three years represented that they were the manufacturers of the furniture in which they dealt and that their furniture was being sold to the public at manufacturer's prices when the truth is that neither of the respondents has ever had any connection with a furniture factory and bought their stock as retail dealers and sold it at retail prices (Docket 1242).

THE COMMISSION has directed a Baltimore manufacturer of shoes to discontinue the use of the term "Tufhide" on shoe soles which are composed of material other than leather. This use of the term "Tufhide" the Commission found to be misleading because the purchasing public interprets it to mean tough leather, whereas the soles are composed chiefly of rubber and carbon black, painted and polished to resemble leather.

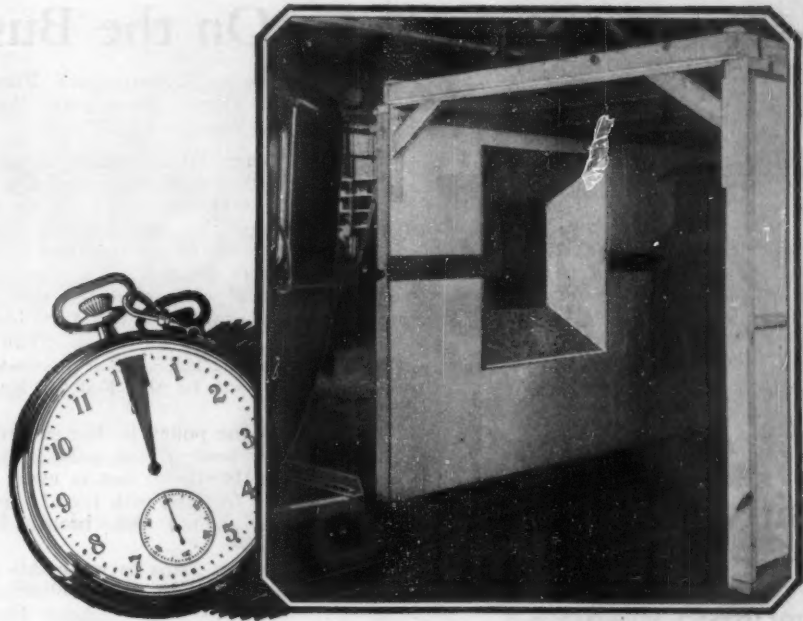
THE COMMISSION has dismissed its complaint against a New York hosiery manufacturing and selling company because it has gone out of business. The complaint involved certain resale price maintenance methods (Docket 1356).

The complaint against a group of Minneapolis men trading as a company in woolen goods was dismissed because they had gone out of business. The complaint charged the respondents with misrepresenting themselves as manufacturers of sweaters, blankets, hosiery, etc., which they sold at retail by mail and through agents (Docket 1389).

The complaint charging a Chicago man with misrepresentation of premiums given by him for selling his pictures has been dismissed because the respondent has gone out of business (Docket 1388).

INFORMATION on cases dismissed on stipulations is given to the public without divulging the names of the parties involved. Stipulations 31 to 40 involved misbranding by a watch-selling house, a paint manufacturer, and a dealer in imitation jewelry; misleading trade names by a merchandiser of hosiery; fictitious price marking by a dealer in imitation jewelry; alleged disparagement by an automobile dealer of competitors by asserting that they sold "assembled" cars; a dealer in mattresses for misbranding; a dealer in hosiery and underwear for using the name "Mills" in its corporate name; a dealer in knitted goods for representing himself as a manufacturer; and a dealer in stationery for using "engraving" in its corporate name.

THE COMMISSION in Docket 1331 requires a book agent of Chicago, Ill., to cease representing itself as a publisher, representing that it maintains branch offices in different cities, or that its books have been endorsed by superintendents of education in more than 24 states, or that its regular price has been greatly reduced.



2 Minutes for DRYING coat of DUCO

IN the installation shown above, two Thermodyne Unit Heaters have reduced drying time to 8 minutes for 4 coats of Duco. Only 2 minutes per coat — more than doubling the capacity of the painting rooms of a large auto body builder.

The auto bodies, mounted on a conveyor line, travelling at the rate of 12 ft. per minute from spraying chamber through tunnel, are thoroughly dried by the time they reach the end of the 20 ft. tunnel. Complete drying time is 2 minutes per coat.

Each Thermodyne Unit delivers 2000 cubic feet of heated air per minute into the tunnel. This passes over the bodies and is exhausted by the fan at the spray chamber. This simple, economical installation practically revolutionizes paint drying.

The Thermodyne Unit Heater consists of the radiator shown and a motor driven fan. The fan circulates air through the radiator. It is simple, dependable, economical, easily installed in 30 minutes after piping has been completed. Weighs only 125 pounds. The condenser is of patented construction. Is built to outlast cast iron radiation.

Whatever your drying problems may be, let Thermodyne Engineers study them and offer recommendations. No obligation. Write today for complete facts.

MODINE MANUFACTURING CO.
Heating Division RACINE, WISCONSIN
Branch offices in all large cities.

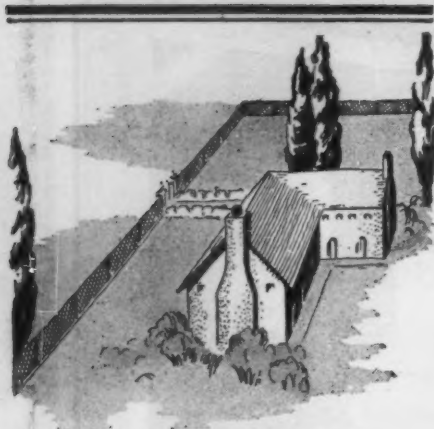


Thermodyne Unit Heater is the great, new development for industrial heating. Suspends from steam line, up out of the way. Forces heat down to working levels where needed. One Thermodyne Unit takes the place of 4900 lbs. of cast iron radiation. Is built to outlast cast iron. Is cheaper to install. Write for complete facts.

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FOR STEAM OR HOT WATER HEATING SYSTEMS

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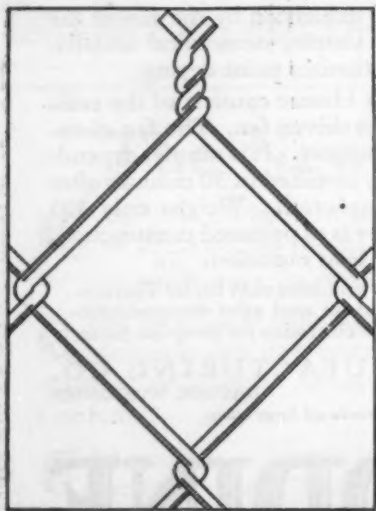
Positive Protection for Fine Estates!

INSURING, as it does, your lawns against damage from vandals, your home against malicious trespass, American Wire Fence performs an inestimable service to estate owners. It gives your premises absolute protection, at the same time adding a definite note of exclusiveness.

American Wire Fence also is long lasting. It is made of durable galvanized steel wire woven in a mesh of chain link. There are other styles of ornamental fencing and a variety of distinctive gates in the American line.

Write or 'phone either our factory or our Chicago office for full information. No obligation.

AMERICAN WIRE FENCE COMPANY
7 South Dearborn Street, Chicago, Ill.
Factory: Libertyville, Ill.



AMERICAN
CHAIN LINK

Manufacturers of Superior Wire Fence for over 25 years

On the Business Bookshelf

An Adventure in Constructive Finance,
by Carter Glass. Doubleday, Page & Company, New York, 1927. \$3.

Senator Carter Glass, chairman of the House Committee of Banking and Currency from 1912 to 1918, the first part of which period witnessed the fight for the Federal Reserve Act, is eminently qualified to write on the history of the Act.

Of Mr. Glass' clear, forceful style, our readers had an example in the April issue of NATION'S BUSINESS in the article, "The Battle for the Banking Bill," which discussed the recent amendment to the Federal Reserve Act.

As he states the policy he has carried out in the present book: "Not only have the facts been exactly stated; but in every case, they have been fortified with literal corroboration, which cannot be brought into question."

He tells how his plans to write this story were sharply revived by the publication of the "Intimate Papers of Colonel House," which in Mr. Glass' introduction receives a vitriolic attack for attributing the paternity of the Federal Reserve Act to Col. E. M. House instead of to Woodrow Wilson.

A brief comparison of our banking system before and after the Federal Reserve Act:

"The national currency was inelastic because based on the bonded indebtedness of the United States. The ability of the banks to meet the currency needs of commerce and industry was largely measured by the volume of bonds available. And the total was constantly diminished by reductions in the national indebtedness. For half a century we banked on the absurd theory that the country always needed a volume of currency equal to the nation's bonded indebtedness and at no time ever required less, whereas we frequently did not need as much as was outstanding and quite as often required more than it was possible to obtain. So, when more was needed than could be gotten, stringencies resulting in panics would be precipitated, to cure which, for the moment, clearing-house certificates would unlawfully be resorted to as a substitute for bank notes. When currency was redundant, when the volume was more than required for actual commercial transactions, instead of taking it through the expensive process of retirement, it was sent by interior banks to the great money centers to be loaned on call for stock and commodity gambling.

"The Federal Reserve Act revolutionized this wretched system by providing a reserve bank currency based on the sound, liquid commercial assets of the country, responsive at all times and to the fullest extent to every reasonable demand of legitimate business. It is issued when needed and retired when not required. Based on commercial transactions, fortified by a large gold cover, with the assets of a great banking system behind them, as well as the obligations of the government, federal reserve notes are easily the soundest on earth today, being at a premium in every foreign money market of the world."

Principles of Employment Psychology,
by Harold Ernest Burt. Houghton Mifflin Company, New York, 1926. \$4.

Psychology is growing practical. Time was when the science was full of metaphysical theory. It was not realized that it would come right into business. Now it has entered, trying to cure the human element of industrial ills.

"Every employment manager and every foreman is familiar with the occupational

misfit—the square peg in the round hole. The explanation of such misfits is simple. Different jobs require for their satisfactory performance different mental and motor capacities.

"Individuals differ in mental and motor capacity, and it is frequently the case that the capacity necessary for the job and the capacity possessed by the person working at the job do not correspond. Suppose that a job requires good memory and that the applicants with good memory and with poor memory are available in about equal numbers.

"A careful survey of almost any large plant would reveal many a workman with slow reaction time vainly trying to keep up with a rapidly operating machine, or a man with poor powers of attention attempting to concentrate on a task that is too complex for him, or with intelligence too low to grasp the problems and make the decisions necessary in his work.

"The remedy consists obviously in placing a man in a job requiring aptitudes which he possesses."

The factor of getting men into jobs for which they are best fitted has widespread social ramifications. "The maladjusted worker constitutes a serious social problem. He is apt to be in economic difficulty and even in straitened circumstances because, if he is engaged in work for which he is not qualified, he is likely to be penalized in his compensation." This factor contributes materially to poverty and its accompanying ills. Many delinquents or criminals, also, may be accounted for through economic failures.

Employment psychology perhaps cannot yet, with absolute accuracy, tell the best man for the job or the best job for the man—perhaps never will—but psychology has become practical by the study of masses of men.

The Economic Basis of Fair Wages, by Jacob D. Cox, Jr. The Ronald Press Company, New York, 1926. \$3.50.

An analysis of the difficulties found in the struggle between capital and labor.

The author thinks that distrust and suspicion, too often found on both sides in industrial dealings, should be replaced by fair dealing, mutual confidence and an understanding of economic laws by both parties so that wage contracts may be made to the interest of both parties.

The author says there is no permanent advantage in high wages, nor disadvantage in low, because prices rise and decline with wages.

Vivid Spain, by Joe Mitchell Chapple. Chapple Publishing Company, Boston, 1926.

The author's own opinion as expressed in the foreword:

"In Spain we discover pleasure in leisurely living, romance, poetry, lack of unkind criticism, childlike simplicity, and a hospitality which is the noblest attribute of a magnificent people.

"Here is a record of appreciation, not didactic or profound history peppered with footnotes from mystic authorities, or fables agreed upon as a psychoanalysis of people—but a simple volume with no other purpose than to have the reader share the joy of our many happy days in Vivid Spain."

Mr. Chapple's interesting book on Spain is light, entertaining reading. It is well illustrated by etchings of Levon West and numerous photographs taken on the trip.

This story of travel in Spain will be of

Elliott-Fisher

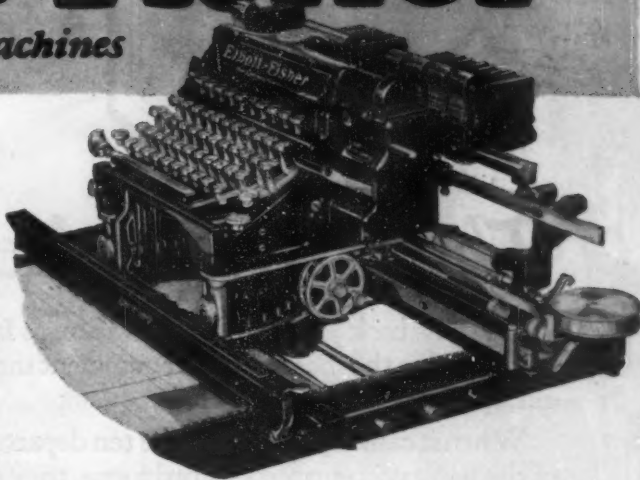
Accounting - Writing Machines

Speed . . . Elliott-Fisher has the exclusive flat writing surface and automatic-electric operation. Several jobs can be combined into one. Power does what hands once did.

Accuracy . . . Elliott-Fisher is self-checking. Errors are reduced to the vanishing point.

Dependability . . . Elliott-Fisher is made with utmost care and precision. It is backed by Elliott-Fisher's thirty-five years' experience in the accounting machine field.

Let us tell you how Elliott-Fisher can speed up your accounting work without adding a single name to your payroll. Write us for details.



Sundstrand

Adding, Figuring & Bookkeeping Machines — Cash Registers



Speed . . . Sundstrand is more than an adding machine. Touch a key and Sundstrand performs *direct* subtraction. Touch another key and you are ready for automatic shift multiplication. No mental figuring to be done.

Accuracy . . . Sundstrand's ten-key keyboard means no columns to locate. Simple one-hand control over all operations is combined with complete visibility. Every figure is printed for you with totals in red.

Dependability . . . Simple construction and inbuilt ruggedness insure long, dependable service. Sundstrands have been in use for over fourteen years.

You no longer need to be satisfied with machines which only add. Write us for complete information and prices.

General Office Equipment Corporation

Elliott-Fisher Division

The Elliott-Fisher Division markets Elliott-Fisher Accounting-Writing machines designed to meet every accounting requirement.

Elliott-Fisher Company has acquired the business assets of the Sundstrand Corporation.

Products of both companies will be marketed by the General Office Equip-

ment Corporation through its Elliott-Fisher and Sundstrand Divisions.

Sales and service offices are maintained by GOEC in the principal cities of the United States and foreign countries.

Sundstrand Division

The Sundstrand Division markets Sundstrand Adding, Subtracting, Calculating, and Bookkeeping Machines and Cash Registers.

342 MADISON AVENUE, NEW YORK CITY

When writing to GENERAL OFFICE EQUIPMENT CORPORATION please mention Nation's Business



This is Mr. Burkert

A NEW bank just opened in prosperous Indianapolis; the most modern equipment throughout, sparkling, new and efficient.

When it came to equipping the ten departments of the bank with printed record forms, they called in the Baker-Vawter man, and asked him to furnish the forms which would assist all departments to function with intelligent and accurate promptness.

The whole system from Administrative Records, General Records for general bookkeeping, even to Depositors Statements, was synchronized with a perfectness of detail, which kept every department's records complete; instantly available to managers and officers.

Specializing in office and bank systems for nearly forty years, it was only natural that the Inland Bank and Trust Company of Indianapolis turned to Baker-Vawter, as the one institution which could, without guesses and experiments, tell them exactly what they needed to begin work with full and complete records kept of every transaction.

Prices were exactly the same as though no service had been rendered. It is obvious that any bank or office can get from the trained Baker-Vawter man a Plus service which is unique and valuable.

Remember this Plus value. A line to Baker-Vawter, Benton Harbor, Michigan, or a telephone call to your local Baker-Vawter man will receive prompt attention.



The new Inland Bank's personnel was recruited largely from leading banking houses of Indianapolis. These banks Mr. Burkert had helped in many ways for many years, and by his ability, knowledge and trustworthiness, he has built for himself and his company a good and deserved reputation.

This new bank in its formative period turned automatically to Mr. Burkert, as the one man who could install the most modern record system.

particular interest to business men in view of the Ibero-American Exposition to be held at Seville in October, 1928.

Industrial and Commercial South America, by Annie S. Peck. Thomas Y. Crowell Company, New York, 1927. \$3.50.

The author gives information on the cities and ports; transportation systems; physical characteristics and natural resources; agricultural products; minerals, and other vital factors of each of the several countries of South America.

Manufacturers, exporters or any others seeking up-to-date information on our neighboring continent will find this book useful. The author uses a map of South America as the frontispiece of her book. Other maps throughout the book greatly help her explanation of its characteristics.

How Banks Increase Their Business, by G. Prather Knapp. Rand McNally & Company, Chicago, 1926. \$5.

Mr. Knapp was for years in charge of publicity for the Mississippi Valley Trust Company of St. Louis. His present book is written not only in the light of his two decades of banking and bank development, but also from the plans and methods secured from bankers in all parts of the country.

He divides his topic into seven divisions: organizing the new business or public relations department; preparing the bank for increased business and public recognition; service plans in detail; direct personal selling of bank service; bank advertising; personal activities in public relations management; office systems in new business, advertising, and publicity management.

Mr. Knapp devotes five chapters to advertising which are even more interesting than the remainder of the book.

RECENT BOOKS RECEIVED

Accounting—Its Principles and Problems, by Henry Rand Hatfield. D. Appleton and Company, New York, 1927. \$3.50.

The Babbitt Warren, by C. E. M. Joad. Harper & Brothers, New York, 1927.

Cooperative Advertising by Competitors, by Hugh E. Agnew. Harper & Brothers, New York, 1926.

Essentials of Public Speaking, by Warren C. DuBois. Prentice-Hall, Inc., New York, 1926. \$2.

Extension of Bank Credit, by Earl Bryan Schwulst. Houghton Mifflin Company, New York, 1927. \$3.

Factory Management, by Paul M. Atkins. Prentice-Hall, Inc., New York, 1926. \$5.

Industrial Conflict, by F. W. Ogilvie. Oxford University Press, American Branch, New York, 1926. \$0.50.

Main Street and Wall Street, by William Z. Ripley. Little, Brown and Company, Boston, 1927. \$2.50.

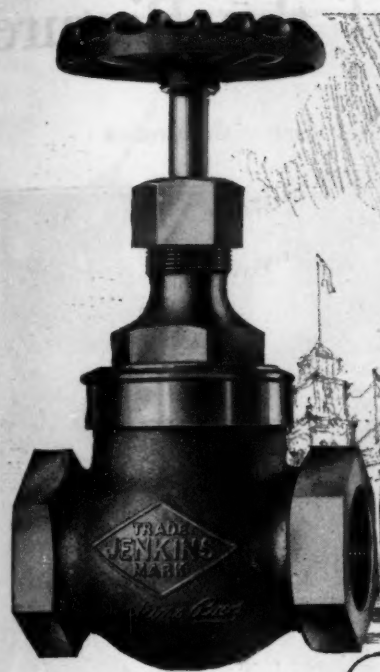
Modern Industry, by Ernest L. Bogart and Charles E. Landon. Longmans, Green and Co., New York, 1927. \$3.75.

The Organization and Operation of Department Stores, by J. Russell Doubman and John R. Whitaker. John Wiley & Sons, Inc., New York, 1927.

Salesmanship, by Charles H. Fernald. Prentice-Hall, Inc., New York, 1926. \$4.50.

Tips for Traveling Salesmen, by Herbert N. Casson. B. C. Forbes Publishing Co., New York, 1927. \$2.

Veneers and Plywood, by E. Vernon Knight and Meinred Wulpi. The Ronald Press, New York, 1927. \$6.



The overshadowing importance of good valves

GOOD valves mean safety. Good valves mean comfort. Good valves mean low plant maintenance.

A good valve in a fire line contributes to safety. And in the matter of comfort, a valve can play a big part in keeping plumbing and heating systems at their best.

It is in low upkeep, however, that good valves most strikingly prove their overshadowing importance. The right choice of valves can assure long trouble-free service and put an end to frequent repair and costly replacements.

The choice is not difficult, for there is one safe guide to valve performance—the Jenkins "Diamond" mark and signature on the body of a valve. This, to engineers by the hundred throughout the country, indicates a valve that gives maximum service, not merely average service.

A Jenkins is a valve made from analyses-proved metals, designed and built to provide strength where strength is

needed—a valve given a wide margin test for safety, and fully guaranteed in the service for which it is recommended.

The extent of the Jenkins line assures the correct valve for the job at hand. Genuine Jenkins Valves are furnished in bronze and iron in standard, medium pressure and heavy patterns.

Jenkins Valves have nation-wide distribution, are carried in stock by mill supply houses from coast to coast. The Sales Engineering Division of Jenkins Bros. is at the service of architects, engineers, plumbing and heating contractors and owners in determining the proper valve for any service.

JENKINS BROS.

80 White Street New York, N. Y.
524 Atlantic Avenue Boston, Mass.
133 No. Seventh Street Philadelphia, Pa.
646 Washington Boulevard Chicago, Ill.

JENKINS BROS. LIMITED

Montreal, Canada London, England

Always marked with the "Diamond"
Jenkins Valves
SINCE 1864

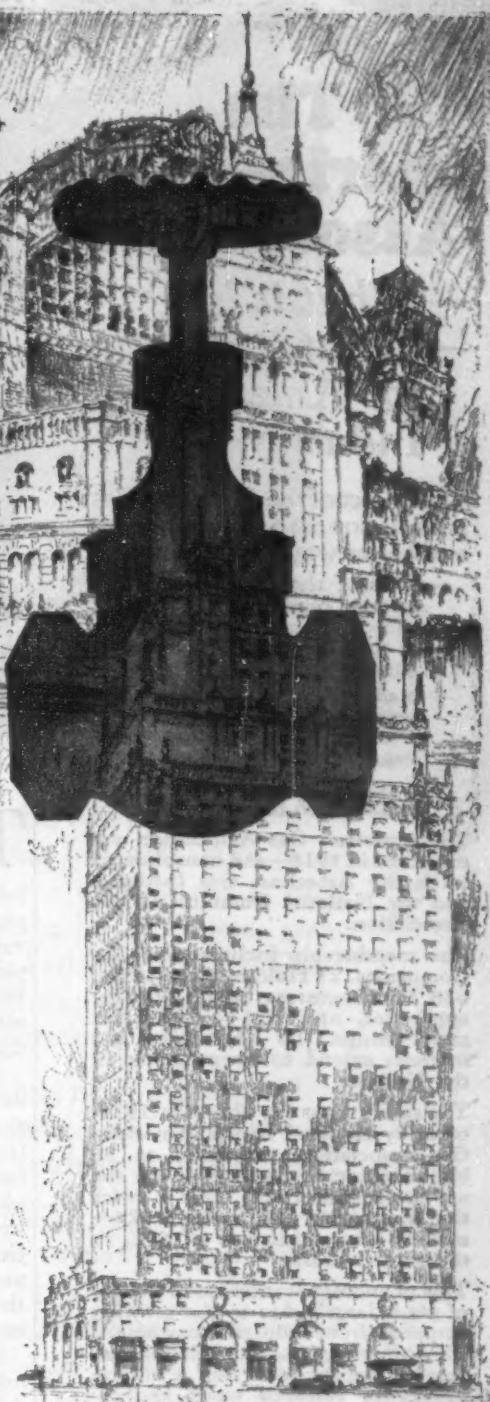


Fig. 651
Jenkins Standard
Iron Body Gate
Valve, flanged



Fig. 720
Jenkins Bronze
Rapid Action Valve



Fig. 700
Jenkins Modulating
Radiator Valve

The American Gas Association

—What it is
—What it is doing
for American
Industry—

The object of the American Gas Association is to promote more and better ways of utilizing gas;

- to assist the industries of America (and the public as a whole) in deriving to the fullest the numerous advantages inherent in gas;
- to advance to the highest efficiency, methods of gas manufacture, distribution and utilization;
- to collect and disseminate information on these subjects.

The American Gas Association was organized in 1918—and consolidated with the American Gas Institute, and the National Commercial Gas Association.

The membership includes 551 Gas Companies, 21 Holding Companies, 428 Manufacturers of gas burning appliances, and 3,444 Individual memberships. Its activities and interests extend to every state in the Union.

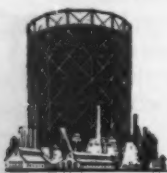
The sales of gas for the year 1926, officially reported to the American Gas Association, amounted to 38 billion cubic feet more than the amount sold in 1925. This is twice the increase in 1925 over 1924—making a total increase of 40% in the last five years.

This phenomenal increase in the use of gas is largely due to the growing demands from industrial customers. The American Gas Association has recently appropriated half a million dollars for research work and development of the industrial gas heating business.

Write to the American Gas Association for information on what gas is doing for others in your line of business.

American Gas Association
342 Madison Ave., New York City

**YOU CAN DO IT
BETTER WITH GAS**



The Dollar Side of the Picture

BY HARRY VAN TINE

Director, Washington Bureau, International Newsreel Corporation



Here are a few of the celebrities often photographed in the last decade

THE NEWS photograph is the mirror that reflects the day's events, the truthful reporter, where action speaks louder than words. Practically all news photographs have some degree of financial value. About once a year a particular picture will bring thousands of dollars. Perhaps but a few dozen prints will be made from one negative, or perhaps a few thousands. It all depends on the picture.

A picture is not at once filed away after its first appearance as news. It has many roads to travel after its display on the front page or rotogravure section of newspapers. To feature editors, Sunday editors, news syndicates, magazine editors, weekly service bureaus, foreign news agencies, window display advertising companies, and direct commercial sales departments the photograph firms will mail, rush, carry, and export a scene to the ends of the earth.

Sometimes a feature picture will be published more widely than a news view. Holiday stunts, birthday anniversaries, and theatrical publicity pictures have registered high sales with all photographic firms.

Recently a New York news photo service corporation took from its files a picture showing an Orientater used in the training of aviators. Although this subject was originally used about seven years ago, over fifty magazines and newspapers used the picture in almost every section of the world.

Carefully trained employees are continually reading the papers and magazines for stories of picture value. An article about the Orientater still being used to train American flyers brought the old picture from the files or "morgue" to be "turned over" again for several hundred dollars more.

The popularity of pictures rests with the public. They like certain kinds, chiefly those displaying action. Pictures of people running, objects moving rapidly, planes flying, autos dashing madly here and there,

fires raging, tornadoes ripping and tearing through the cities—in fact, anything that displays life in swift motion.

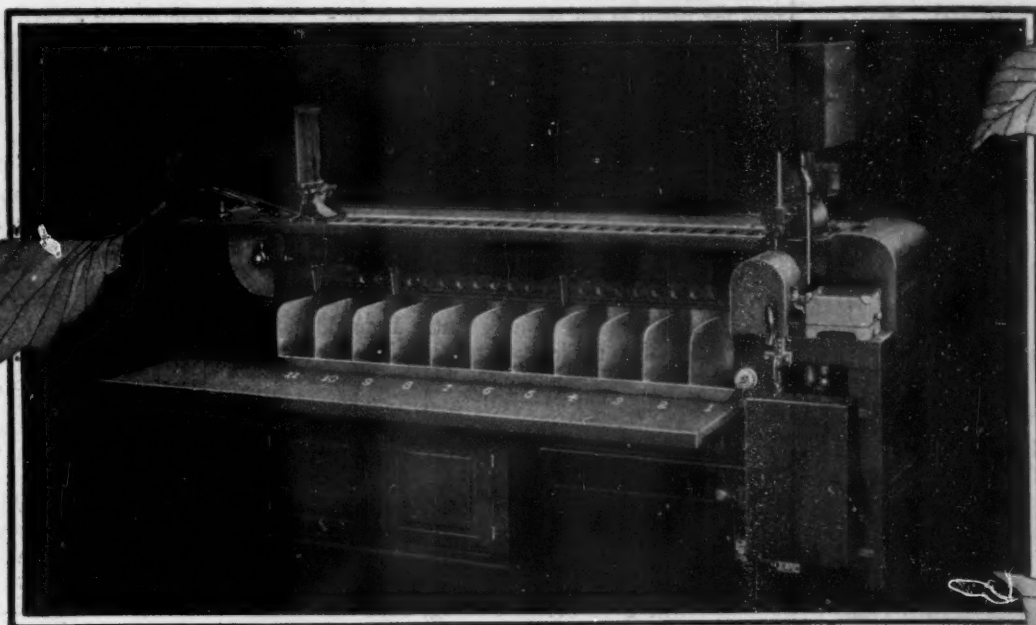
Stark picturizations of disasters have a constant demand. At times many lives have been lost, but the more casualties the better the sale of the pictures. No matter how serious, sad or scandalous the story, pictures that illustrate the disaster are in greater demand than the ordinary run.

A Prominent Gynander

IN THE early nineties before the pictorial news pages were in vogue, persons of prominence were the best sellers. Dr. Mary Walker, the only woman allowed to wear man's attire in public, was always good news. She had special permission from Congress to dress in man's attire and served in the Medical Corps during the Civil War. She later lectured on Woman's Rights in New York City. Dr. Walker died about ten years ago.

"Billy" Sunday was another early subject for the news camera, and later the Prince of Wales crowded many others of prominence off the front pages. Even today his photograph is one of the best sellers. Our Presidents have always been considered the most photographed men in the country. Roosevelt, Taft, Harding, and now Coolidge have broken records for pictorial space in the daily papers. President Wilson was photographed but infrequently.

Not always does a firm pay for pictures. Sometimes the person photographed will pay for having his picture taken. An amusing incident happened at the White House some years ago when a picturesque Congressman from one of the Southern states paid a hundred dollars for a picture of himself standing in the door of the Executive Office. He said it was to win a bet back home. His state chairman claimed he had been cast off by his party and would not be allowed to enter the

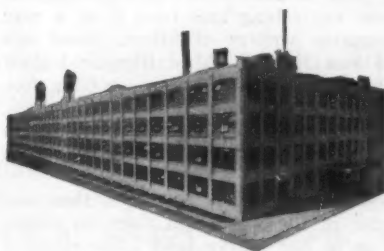


Your producing partner-machinery....

-is it ingenious?

INGENUITY is a trait that one does not ordinarily demand of a business associate. To find that quality in a mere machine, a cold inanimate thing of steel and brass and aluminum, is to find the very attribute which makes the machine mightier than man.

Here is an AMF product of such ingenuity that its cleverness surpasses the human eye. It will actually separate the various shades of color in the wrappers of cigars, sorting automatically and precisely up to ten shades of tobacco brown.



Automatic Machinery for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing, and for all branches of Tobacco manufacture. Also Inda, the Perfected Case in Solid

This is of value to the cigar maker in that it simplifies his problem of packing cigars of the same shade in each box. When done by eye alone, great skill is required and repeated handling. When done by machine no skill on the part of the operator is needed.

This machine may be adapted to many other shade detecting problems. Its ingenuity is almost without limit.

AMF producing partners are proving their value in many varied lines of industry. Perhaps some one of them can help you materially. Let us discuss it with you.

American Machine & Foundry Company, 5502-5524 Second Avenue, Brooklyn, New York. London, England; Alexandria, Egypt; Shanghai, China.

Automatic Machinery



Washington's
Palatial Hotel

The Mayflower

Home of Leaders in
Statecraft, Diplomacy,
Finance and Industry

Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

Four Short Blocks
from
U. S. Chamber of Commerce
on
Connecticut Avenue at L Street


On the Pacific Coast
it's
Oakland

EACH geographical division has its industrial center.

In the West . . . it's Oakland. This city has every natural advantage for manufacturers . . . location, transportation, raw materials, labor, climate.

Oakland is the predominant choice for Western branch-factories and warehouses.

Ask us for intimate, detailed information. Your inquiries will be regarded as confidential.



The OAKLAND BANK
12th and Broadway
Oakland, Calif.

White House grounds. He wanted the picture for proof of his visit. Several photographers made the picture, for it is not often such large sums are paid for a single snapshot.

Big events in the day's news mean big pictures, more pictures and better pictures. Editors pay more for better pictures of unusual events and pay more for first and exclusive pictures of these happenings. The International Newsreel Corporation of New York City holds what may be the record for the price paid to obtain first and exclusive scenes of a great world event. It paid \$2,500 for the earliest pictures it could get of the Florida tornado. These were used throughout the world, and London alone paid over \$1,200 for their use.

Probably the highest price ever paid by any newspaper for a single photograph was \$2,500 for the sinking of the German cruiser *Blucher*. It was a most remarkable picture showing the crew hanging and scrambling over the side of the big ship as she rolled over before sinking, showing men no longer able to remain on the slimy bottom, dropping off as their strength failed, fighting desperately for a chance to save themselves from drowning in the icy waters. Once more a disaster scene had a tremendous dollar value.

During the Civil War, Mathew Brady made pictures of interesting scenes in the Union Army camps. He was the forerunner of the present picture-service firms. President Lincoln visiting the troops, views about the nation's capital and the like were Brady's subjects. He later sold his collection to the Government for \$27,000. These negatives were placed in the War Department Library and later moved to the Signal Corps section. The corps frequently re-

ceives an order from some publisher who wishes to illustrate a civil war story.

An interesting incident that illustrates the character of news photograph service might be in order. A picture corporation in New York paid several thousand dollars to land the first pictures of the famous Dempsey-Carpentier prize fight in England and France. An expert photographer was to cover the fight for the foreign bureaus of the picture corporation. To accomplish this, it was first necessary to delay the sailing of a certain ocean liner. It took money to do this, but the boat left her pier two hours later than scheduled.

Delivering the Pictures

AFTER the knockout, the photographer left the ringside with what he hoped were six good "shots" that would tell the story in real news value. Placing his plates in an airtight can, he mounted a special detailed motor-cycle, drove twenty blocks to a waiting speed boat that dashed across the Hudson River to a waiting sea plane.

Leaving the water for the air, he landed off Montauk Point, handed the package to a fellow employe on a waiting tugboat, who in turn passed the plates to the captain of the liner by means of a dangling rope. Then the photographer waited a week for news from the London office. The six pictures were excellent, and the records show that sales amounting to over \$6,000 were made to newspapers and magazines in Europe.

It was a gamble, as nearly \$2,000 had been spent in engineering the stunt, and if the plates had been smashed or fogged, the firm would have lost. In this case it happened to be just another story of the dollar side of the picture.

Government and New Zealand

By I. K. RUSSELL

MRS. LEILA M. BLOMFIELD was born in New Zealand where the government runs most everything and runs it in a way that magazine writers of fifteen years ago declared was "ideal." Mrs. Blomfield grew up in the midst of such things—getting free rides on the government railroad to school, and there learning that New Zealand was a sort of beacon light to the Anglo-Saxon nations.

She quickly absorbed the idea that nowhere else in the world did they do things so well as in her native land. She decided to come to America to lecture about it. She did so—and took an American railroad ride across the continent.

Once again back home things did not look so well. Instead of steam-heated cars, she now noticed the cold.

It was a government-owned railroad and it has rules. One of them was that the conductor must call for her ticket and look it over after every single station stop. When he came around for the sixth time in a ride of a few hours, she lost her patience.

"I say," she asked, "couldn't I give you that ticket and then you can look at it every little while, every time you like, and I can have a bit of a nap unmolested?"

It was a new impertinence for New Zealand. The conductor was a government offi-

cial! "Madam," he gasped, "you must be from the States." But the New Zealand lady only smiled—a wan, tired smile. "No," she explained, "I am from New Zealand, but I have been to the States."

She found it utterly impossible to impress the government functionary with the ticket punch that the accommodation of a passenger ought to count for the least thing against a government rule.

The government-operated electrical plants took on a new glamor to her, too, for she noticed that she paid 18 cents a kilowatt hour there and at the end of the year got a tax notice for any deficit at the central station, this quite regardless of whether she had used any of the electricity or not. These hordes of government people riding free on the railroads took on a new color, too; she realized she paid for that in her tax bill.

Well, Mrs. Blomfield is now back in America, still lecturing about the glories of New Zealand—but with reservations. One of them concerns her pictures of that fair land. The government proposed to equip her with a set over three years ago. They are still on their way: she is learning about red tape, and also that on a close-up the "exploitive American corporation" doesn't look so destructively fierce as it seemed when she viewed it from afar.



... when Waste rides your horsepower

HARD and high he rides, this reckless raider. It's Waste—the scourge of Industry.

Devil-may-care methods of driving horsepower through the power plants of America, are responsible for staggering fuel losses—millions of tons of coal annually.

Almost every individual plant in the country carries some share

of this loss on its books today.

Preventing such losses for shrewd industrialists has become an industry in itself—the business of Johns-Manville.

Through Asbestos—packings, insulations, refractories, etc.—Johns-Manville is making new standards of plant efficiency possible and keeping horsepower from the treacherous reach of Waste.



JOHNS-MANVILLE

SAVES HORSEPOWER

MADISON AVENUE AT 41st STREET, NEW YORK ~ BRANCHES IN ALL LARGE CITIES ~ FOR CANADA: CANADIAN JOHNS-MANVILLE CO., LTD., TORONTO

When writing to JOHNS-MANVILLE, please mention Nation's Business



Use a MULTIPOST STAMP AFFIXER & RECORDER

Save **TIME**
STAMPS
MONEY

The Multipost releases, moistens, cuts off, affixes and records each stamp in one operation. Keeps stamps in rolls in one safe place. Prevents loss and spoilage. Discourages misuse of stamps and makes accounting for them practicable.

Free trial in your own office will prove its many advantages and economies to you.

Representatives in all large cities. Ask your Stationer or mail coupon for free trial, or for booklet showing possibilities of important savings in mailing.

Multipost Co., Dept. D-5, Rochester, N. Y.

- ☐ Send Multipost on free trial
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The logical location for Southern Industries. Four radiating trunk line railroads, eight steamship lines in world commerce, economical electric power, abundant labor, mild climate, pure water, living conditions ideal. Many available factory sites on deep water or inland.

The place for you to locate.
For information and booklet address
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BUREAU
CHAMBER OF COMMERCE
Charleston, S. C.**



When writing to MULTIPOST Co. and CHARLESTON CHAMBER OF COMMERCE please mention Nation's Business

Chips from the Editor's Work Bench

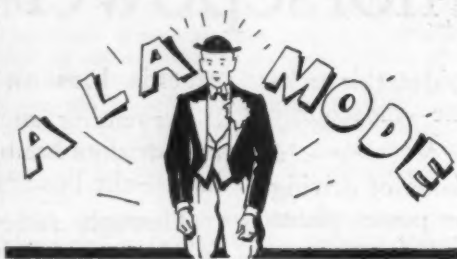
By Raymond C. Willoughby

LUXURY may not yet have reached its ultimate zenith, but plans for a 38-story apartment hotel in New York put it 559 feet on the way. In the catalog of opulent charms are bronze vestibule doors, black-and-white marble staircases and bathrooms, and shower compartments of plate glass. And for introduction to all the superlatives of this \$10,000,000 splendor are gold-plated door knobs. Even with the indicated opportunity to win the Gilbertian regard for polishing up "the handle of the big front door," none of the richlings in this hundred-family palace is likely to choose that way of getting up in the world. For rising in their affluent atmosphere, the proprieties would seem to require nothing less than platinum elevators.

ANOTHER seasonal industry is brought to light with the announcement of the National Lime Association that "springtime is whitewashing time." If the association hews to that line because of its lyric quality, it will get only a fourth of its natural market. All the other seasons will provide prospects for whitewash so long as practical politics is not adjourned.

SARTORIAL clinics disclose that the fancies of tailors and dressmakers have turned to thoughts of the summer and autumn modes. New models in coats and frocks sponsored by the Art Fashion League of America pass the word that the old-fashioned girl is coming back—at least the frills, fine plaits, and bows seem a style note from an earlier and more restful age. For contrast with the promised revival of an older fashion are the trousers of silk, satin, or lace to be worn under evening or dinner gowns—a sort of under exposure of the "two-pants suit" platform for men.

The motif in the new togs for collegians and those who ape them suggests that the tailors have been caught in the ground swell of the "slow club" movement. By



their edict flaming youth is doomed to smoulder next fall in Oxford gray—in sack coats and ashes, as it were. Lighter shades will, of course, prevail during the fair and warmer season. To top off the young idea bowlers are to help haberdashers make every day a derby day.

With youth so well served, oldsters could give more afternoons of golf to seeing that westward the course of prosperity does not make its way.

WELL-INTENTIONED as all the suggestions for "Dutch-treat" courting may be, they give no present promise of uprooting custom. Even though the in-

comes of young women may exceed those of their boy friends, usage is likely to overrule available assets in determining that it is not the woman who pays and pays. The economics that would put "dates" on a strictly fifty-fifty basis would fairly deserve youth's approval of Carlyle's low estimate of the science. But how appraise the unworldly confidence of the wistful visionaries who profess to see "gold diggers" converted to gold-diggers-up?

BELIEF that asbestos curtains were intended to protect audiences from incendiary revelations on the stage is in a way of confirmation by the original glorifier of the American girl. Florenz Ziegfeld's declaration that he is "ashamed to be in the revue business with all this going on,"



and is "going to get out" voices his alarm at the specter of state censorship. Most of the "goings on" are directly traceable to the progressive goings off of drapery for the ladies of the chorus, though the drama is not above contriving situations to make news of the nude and literature of legs.

A more substantial fame clothed the old-time burlesque show, for its buxom belles put their understanding to the suggestion of costume balls rather than clinics. If they contributed to the fleshpots, they also did reverence to the fleshlings. Now, if it is as bad as Mr. Ziegfeld makes out, "the revues have gone too far." So the show business progresses. Not so many years ago another observer wrote, "Just when everybody thinks the world is getting better, along comes the Follies and gives an extra matinee."

BY REPORT of the American Chemical Society, the output of perfumes and toilet preparations in the United States has multiplied six times in the last ten years. For reason the society gives "the much greater addiction of girls and women to cosmetics of all kinds than before the World War"—a *prima facie* application of our paint makers' credo, "Save the surface and you save all."

BUSINESSLIKE, if a bit ungallant, is the shoe trade's discovery that women's feet are growing larger. Of several hundred New York girls invited to qualify as models for a shoe style show "not more than a dozen were found to possess a truly representative 4-B foot"—the standard sample size. Wider search might turn up

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Over 15,000 factories which changed their lighting last year have obtained the same satisfactory results in working conditions.

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Retailers Can Meet the New Competition

by putting to use some of the suggestions offered in the following four pamphlets prepared by the Domestic Distribution Department of the United States Chamber of Commerce:

1. Group Efforts by Merchants for Promoting Trade.
2. Merchants' Institutes.
3. Educational Courses for Retail Sales People.
4. Special Sales Events.

The price is 15 cents for Number 1, and 10 cents for each of the others—or 40 cents for the set.

Department of Domestic Distribution
U. S. CHAMBER OF COMMERCE Washington, D. C.

When writing to HALSEY, STUART & Co. please mention Nation's Business

smaller feet, though the temper of this active age is against that success. For women's understanding is broadened in the letter, as well as in the spirit of dancing, tennis playing, golfing, and window shopping. If the revelations of comparative magnitudes be odious to women, shoe dealers could observe the ethics and the esthetics of their business just as well by keeping their services confidential, as doctors do. But was it not written that "All the angels have big feet"?

IT IS only fair to Chicago to explain that the headline "Chicago progress calls for the best oiling and greasing service in the world" relates to motors rather than to politics. Advertisements of the service make "greasing palaces" of a chain of stations. Perhaps the operating company finds profit in refining words, as well as in refining oil.

ANNUAL consumption of paper in this country has now got up to 200 pounds per capita—"twice the requirement of an Englishman, five times that of a German, twelve times that of a Japanese, and sixteen times the Russian's paper ration," explains the American Paper and Pulp Association.

No great probing of consumption totals is needed to find the works of the association members in thinking up new ways for Americans to use paper. But other sources are no less fruitful of evidence that this is the age of paper and ours a clerical civilization. On record is the official statement that last year the Government Printing Office published 59,251,786 copies of reports and documents for departments and independent establishments of the Government, Congress not included.

There is a figure to gladden the hearts of the paper trade, a total round and round enough to warm the cold blood of statisticians. Fifty-nine million copies! What interplanetary space they would span end to end! What heaven-hitting height piled one on another! What twisting tenuous queues, spun how many times around this throbbing globe! What tonnages of type! What Stygian seas of ink! What an enormous property for a snow scene! What a litter for minds already cluttered! Surely the paper trade is in league with the printer's devil.

TO A GOOD many persons there was no news in a clothier association's finding of "the average Illinoisan's aversion to wearing a stick." For some time the belief has been fairly widespread that Illinoisans carried something more lethal than a staff of malacca. From a business point of view, the "aversion" seems to invite profitable missionary service. One of the clothiers raises only the condition that twenty-five men be planted in the lobby of each Chicago hotel to his guaranty that "in no time you would have an unprecedented run on them in the retail stores."

Prophetic words, perhaps, though to such a run "unprecedented" seems to give too mild a meaning. Neither a hotel lobby nor a store aisle would stand for long the wear and tear of an old-time collegiate cane rush. Heads, as well as shillalahs, were broken in

those undergraduate Donnybrooks. And if Illinoisans should take their canes as seriously as they do their elections, demand for night sticks might easily exceed demand for walking sticks.

HALING "Babe" Ruth into court for inviting children to appear on the stage with him does no service to the prevention of child labor, and more to the negative, it puts the evangels of that cause in a way of apologetic explanations. The zeal that sees harmful "labor" in stunts that won autographed baseballs for a group of hero-worshipping boys is out of tune



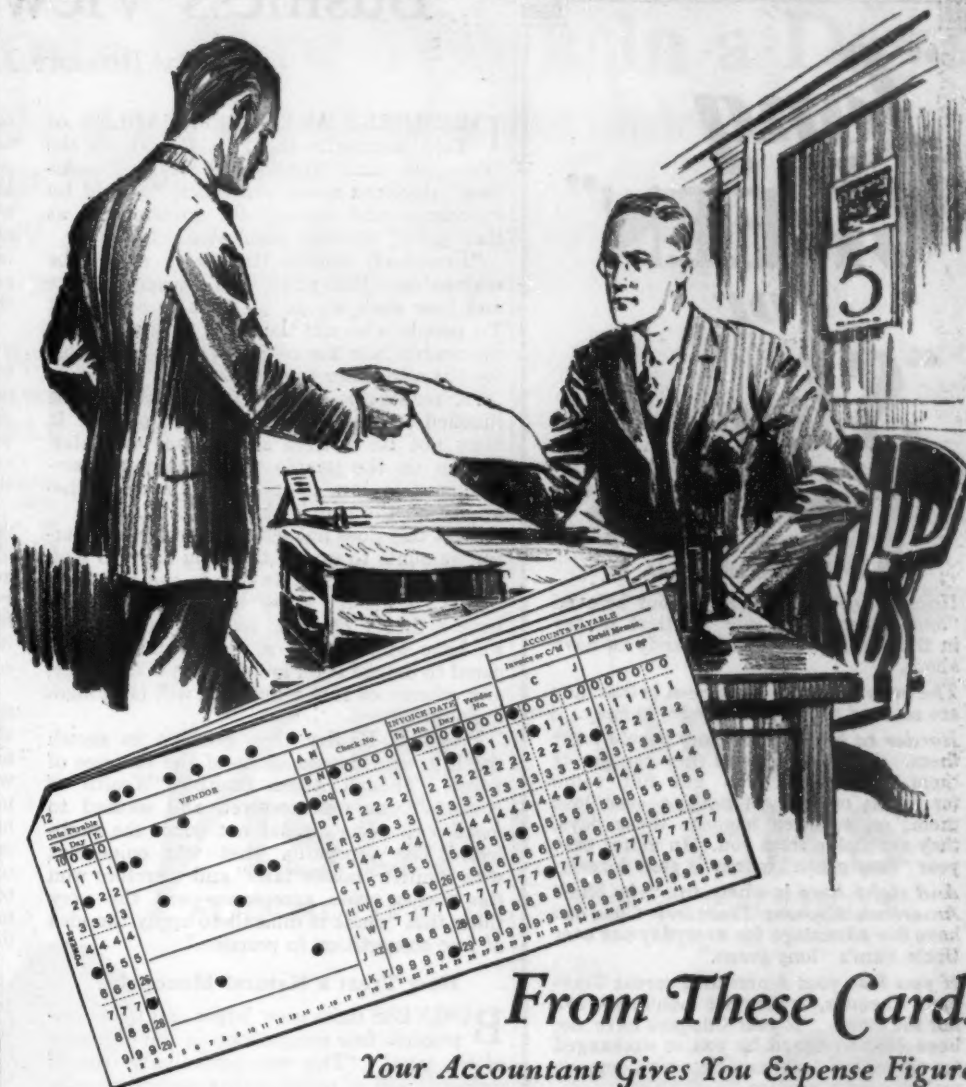
with the young hearts it pretends to cherish. Social progress through child labor legislation is not to be attained without the sympathetic understanding that "boys will be boys."

HOUSEWIVES and hotel chefs, racked from meal to meal by the old question of what to serve, may gain a respite with the use of coal tar colors to give novelty to familiar food. Of course, only dyes free from impurities and proved harmless are approved by the United States Bureau of Chemistry in its administration of the Federal Food and Drugs Act, but several hues are now on the permitted list, with a new green under consideration. The possibilities of dyeing fare give fresh focus to the prospect of meat and drink tastily tinted to captivate the most fickle fancy. And who would not take thought of his stomach at sight of a green roast of beef, or pink October ale? With the perfection of culinary chromaties only the color blind would need to go hungry, for even the most jaded palate could feast to satiety through the eye.

NO ONE is likely to contend against the pronouncement of the Federal Children's Bureau that "all babies have a right to their 'place in the sun' in order to be assured of normal growth." But there is reasonable wonder whether over-exposure in infancy could account for the great number of adult sun-dodgers.

THROUGH its distribution of a series of textbooks, the State Bank of Chicago is presenting "a fiscal program for depositors which guarantees financial success if followed and promises to revolutionize bank promotion methods." Certainly the bank's purpose is well taken, and plausible enough is the promise of its fulfillment. To an age that exalts the wonders of standardization, there could be nothing presumptuous in attempting to rule prosperity by handbook.

WHEN POWERS HANDLES YOUR EXPENSE ACCOUNTING



From These Cards

Your Accountant Gives You Expense Figures While They Are Hot

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From the vendors' audited invoices Powers cards are prepared, establishing the media from which the accounts payable register, the cash disbursements register and the accounts payable trial balance are automatically and mechanically produced. These records are in printed form showing names as well as figures. Arranged by names, the cards become the accounts payable ledger.

But the use of these

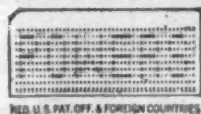
cards does not end here. By this same method an expense ledger is created and a mechanical distribution made to various expense accounts on time.

Powers Mechanical Accounting not only reduces the cost of manual methods, not only facilitates an accurate and uniform handling of the details of payment, but produces the resulting records immediately. We would be pleased to tell you about it in bulletin form.

ADAPTATIONS

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General Accounting—Payroll and Labor Distribution—Material and Stores Record—Sales and Profit Analysis—Insurance Accounting and Statistics—Public Utilities Accounting—Census and other Vital Statistics—Traffic and Transportation Accounting—Chain Store Sales and Inventories—Federal, State and Municipal Accounting

POWERS ACCOUNTING MACHINE CORPORATION
374 Broadway, New York City



POWERS

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"Long GREEN" or "Sky BLUE?"

Uncle Sam's greenbacks—our beloved "long green"—are the prettiest money in the world; and mighty handy to have about.

The only trouble with them is that they are so hard to get, and harder to keep.

Harder to keep! So many people want them. Want yours—all they can get of them. Sometimes you get full value for them; or you get nothing—you lose them; or, as often happens these days, they are stolen from you. In either case your "long green" money is gone forever.

And right here is where the "sky blue" American Express Travelers Cheques have the advantage for everyday use over Uncle Sam's "long green."

If you lose your American Express Travelers Cheques, or they are stolen, you are not the loser. If your Cheques have not been countersigned by you or exchanged for value, the American Express Company makes good your loss.

And it costs only 75 cents to change \$100 of your "long green" money (which is just as useful to anyone as to you) into "sky blue" American Express Travelers Cheques (which are yours and yours only, no matter what happens).

Sample them. Try them out. Compare them with greenbacks. Buy two or three ten or twenty dollar American Express Travelers Cheques. Carry them in your pocket instead of greenbacks—and note the difference.

The "sky blues" will give you an unbelievable sense of comfort in the knowledge that your money is always safe. The more money you carry in American Express Travelers Cheques, the greater the comfort.

And be sure your Travelers Cheques are "SKY BLUE."

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Business Views in Review

BY ROBERT L. BARNES

PRESIDENT ARTHUR T. HADLEY of Yale, writing in the *Yale Review* on the "Principles and Methods of Rate Regulation," develops seven principles, "proved by experience and ignored by governments at their peril," for rate regulation. He says:

"Everybody agrees that rates should be reasonable. But what is a reasonable rate and how shall we go to work to secure it? To people who use the term unthinkingly a reasonable rate means a low rate. But this view is altogether too one-sided.

"A reasonable rate is one which can be justified on the grounds of public policy. It must not be so high as to place an unfair burden on the people who require the service, nor so low as to inflict an unfair disability on the people that render it.

"But this does not get us very far. It simply amounts to saying that you have to look at the question from two ends and not from one. To answer these questions we must have a theory of value to start from. Until we have formed such a theory and are prepared to defend it on grounds of public policy, any scheme of rate regulation will be a mere makeshift."

President Hadley then goes on to sketch the historical development of the theories of value. Though Adam Smith's "Wealth of Nations" was well received and seemed to meet with favor, it did not solve the problem. The prosperity that was coincident with Smith's "laissez faire" and therefore won the theory wide acceptance was the very thing that "made it difficult to apply the idea of free competition in practice."

How Treat a Natural Monopoly?

BUSINESS units grew larger and made impossible free competition in the old sense of the word. "This was particularly true of railroads and of public utility corporations in general. There were many sections which could support one railroad in reasonable prosperity, but which could not furnish enough traffic for two. . . . What was to be done to secure fair rates in cases like these?"

The first idea of government was to secure competition at any price, either subsidy or governmental operation. But these efforts met with but scant success. The risks for financiers were too great; "the waste of national capital in working two competing plants at half capacity was too large."

In the middle part of the nineteenth century a favorite idea for controlling rates was the limitation of profit but this was positively harmful.

The more progressive an industry is in its character and methods, the worse does the public suffer from any attempt to limit its owners to a fixed rate of profit. For each introduction of new methods of operation is an experiment; and no one knows in advance whether an experiment will turn out well. If the Government says to a company, "If you succeed, you are limited to a normal rate of profit; if you fail, your shareholders must stand the loss"—it is obvious that the experiment will not be made at all.

The country that limits rates to "a fair return on prudently invested capital" discourages just the sort of industrial enterprise which is the most effective means of lowering public service charges and keeping the nation in the forefront of progress.

To the proponents of government ownership, President Hadley says it won't work.

"Because governments, constituted to preserve public safety and public order and de-

termine general lines of social policy, are not well adapted to develop large business enterprises. It may be that we shall some day learn to organize our governments in such a way that they can handle progressive business economically; but we are very far from having reached that goal. This is not because government agencies are dishonest; it is chiefly because they are slow.

"On the whole, there has been very strong evidence that you get lower charges and lower rates by leaving the initiative in rate-making to private companies which are trying to get whatever profit they can, than by limiting them to a rate of return fixed in advance or by taking the initiative out of their hands."

This does not mean that the system of private management has been free from abuses, for it has often been necessary for governmental agencies to intervene to prevent discriminations and unfairness. But as far as the general level of rates is concerned it has usually proved best to give private companies much freedom.

"When there is a large permanent investment and a large overhead, the interests of the companies which want to develop business and the interests of the public which wants abundant service by the newest methods are not far apart. This underlying harmony of interests between the two parties is not due to competition, nor dependent upon it. Competition simply compels people to see it sooner and apply its consequences more impartially than they might otherwise do."

When the Interstate Commerce Commission was first formed its purpose was broad. It dealt with general principles and was a leader of public opinion, but as time went on its purpose altered and it became merely the hearer of complaints. "Their time was so occupied by the adjudication of cases that they had little chance to look at larger questions."

Popular Opinions of Utilities

OTHER industries have not fared so badly. "The leading electric men in the United States have known how to avoid some of the difficulties into which the railroads have fallen. . . . Yet even in the electric industries, matters are not wholly satisfactory. A large part of the voters still think that the way to get low rates is to limit the profit of successful enterprises. Politicians find it easier to concur in a widespread popular error than to decide for themselves what will prove best in the long run."

President Hadley states these principles as a basis for rate making:

"1. Rate regulation must be considered from producers' and consumers' points of view.

"2. If scarcity has made the price high, let capital have sufficient freedom to remove that scarcity.

"3. Permanent reduction of price is even surer to follow when we have large units of capital invested for the large unit must make sales to cover its overhead and can profitably reduce rates to this end.

"4. Progressive industries depend for their success upon rendering increased service at lower unit cost.

"5. Reducing rates to cost permitting only normal profit without allowance for risk, prevents the introduction of modern improvements and thereby defeats its own ends.

"6. Historical cost as a basis for rate mak-

Which Does More Work in a Day?

—the girl who has to walk back and forth and stoop over to find a card—

or the girl who sits in a comfortable working position, with every account within reach?

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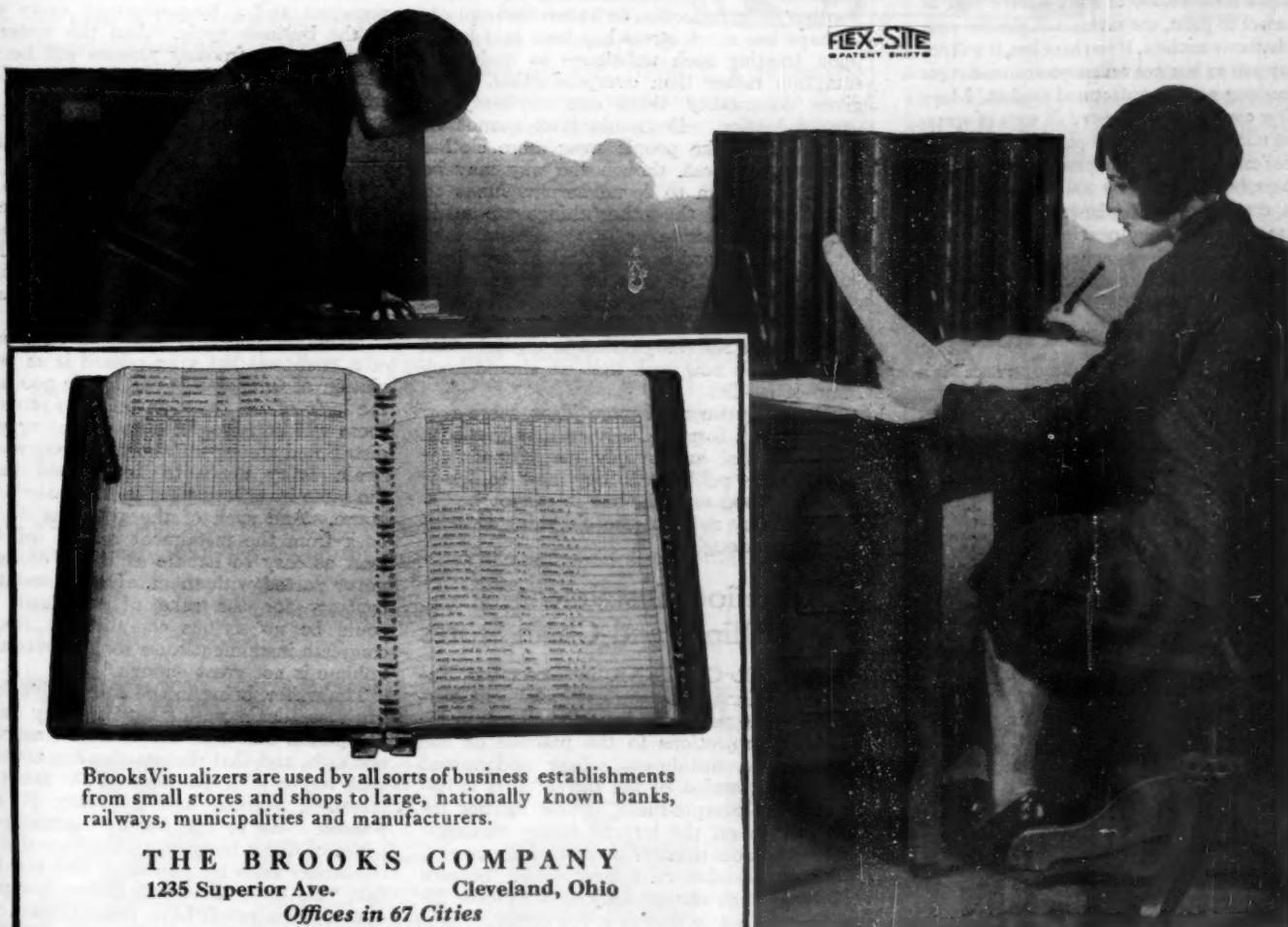
4 Flat Opening—On account of hinge, book lies firm on desk, giving solid, flat writing surface.

5 No Change in Your System—Adaptable to any type of record. Both books and sheets can be furnished in various dimensions to meet any particular requirement.

6 Threefold Saving—No expensive files or cabinets—less help required—occupies less space in office.

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If you have 50,000 or more square feet of surface to paint, the saving will pay for your Matthews machine. If you have less, it will not pay you to buy one unless you can use it for finishing your manufactured product. Many large companies have tested all sorts of spraying machines and have adopted the Matthews. You can assemble an equipment that will spray paint, but it won't give you the service or be as economical as Matthews Equipment that has 27 years of engineering experience and \$300,000.00 development investment behind it. These equipments are guaranteed.

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ing is wrong in principle and dangerous in practice. If a rate is low in comparison with what prevails under similar conditions elsewhere and has developed traffic to an unusual degree, the profit has been well earned.

"7. Perhaps most important and oftenest ignored is the principle that public service commissions should be given opportunity to study history of past attempts at regulation and the economic principles which have determined their success or failure. They should not be overwhelmed with specific cases and complaints as to have no time for dealing with general questions of economic policy."

How Are We Going to Keep Capital Employed?

IDEAS are what we need, according to *The Iron Age*, in a discussion on how we are going to keep capital employed. To quote: "Repeatedly it has been argued of late that the easy position of the money market furnishes assurance that there will be no panic or industrial depression. Confined to its proper limits such reasoning is no doubt entirely sound, but there is a tendency to make the application too broad, to convert the conclusion from negative to positive. There may be assurance against depression or special inactivity, but the positive does not follow, that there is assurance of special activity."

"The supply of capital is to be considered in connection with the demand. Easy money occurs when there is less demand than supply; but it is conceivable there have been times when lessened demand for money was due in part to less than full industrial and building activity."

"In commodities an excess of supply over requirements is not considered good. There is either overproduction or underconsumption. Perhaps too much stress has been laid lately upon treating such unbalance as underconsumption rather than overproduction. In a given commodity there can obviously be overproduction. Economic laws cannot be invoked to make people wear more clothes or eat more meat, though the way may be opened for them to spend surplus funds on other things, if the other things are made sufficiently attractive."

"We have heard a great deal of argument lately to the effect that we have grown so efficient that men need only work five days instead of six. It would be rather awkward to apply the same argument to capital—that the supply is now such that we should keep some of it idle."

"Evidently we need more ideas, more new products and forms of service that will both attract capital and supply employment for labor. The public will buy new things if they are good enough, but it cannot be induced to buy more of the old thing if it already has enough."

Distribution, Instalment Selling, and Chain Stores

SENATOR COUZENS, in December *NATION'S BUSINESS* attacked instalment buying from the point of view of the buyer. He based his objections to the practice on the charges that instalment selling undermined the moral stamina of the buyer; that industry, having overproduced, is now fighting for a mortgage on the buyer's future earnings; and he foresees disaster if these earnings ever fail to materialize on a large scale. Senator Couzens' third charge against the motor industry's infant is that it is too costly.

In the current *Bankers Magazine*, an anonymous author takes up the points that the senator raises and seeks to answer his

objections. In answer to the charge that the practice undermines character, the article points out that the large part of instalment sales are undertaken after investigation of a buyer's responsibility and that after he has been judged responsible there is justification in "having a sense of a real accomplishment when he secures possession of the goods through this medium."

"In other words—one who qualifies for credit in any form and then protects that credit has shown character and gained in character by the experience quite as much if not more than one who has saved to pay cash."

"Repossession figures show that a tremendous number of buyers have earned the right to credit."

"Senator Couzens tells us that 'thousands and thousands of working people are now bound with these instalment payments so that they dare not take even a reasonable risk in a new venture, either of employment or investment.'"

The article then quotes various figures on the increase in savings, life insurance, home building, and membership in building and loan associations, all tending to show that people in this country are saving and are more independent financially.

The article then goes on to show the precautionary measures that instalment houses take in checking up on purchasers. "Senator Couzens has failed to allow for the protection the buyer receives from the self-protective measures of the seller."

Frozen Assets Partly Thawed

AS TO the problem of frozen assets which Senator Couzens so fears, the article says:

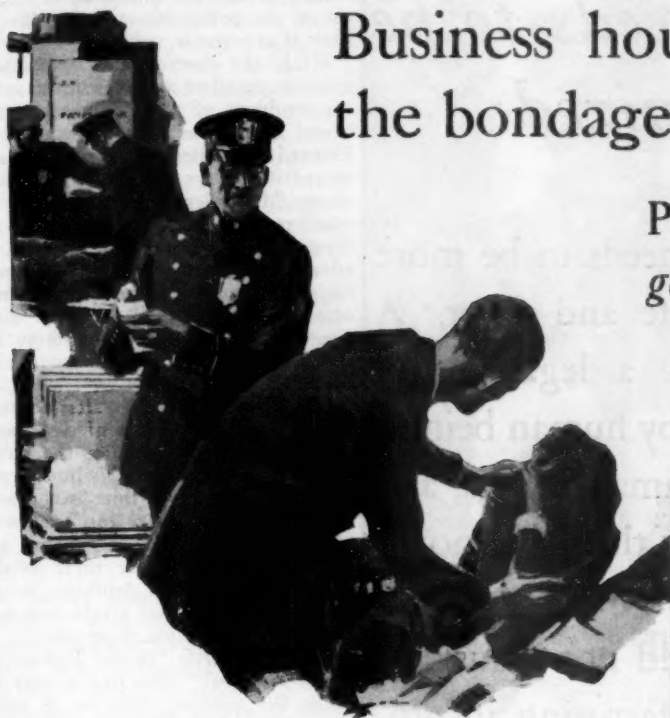
"Frozen assets are as old a problem as depressions and a by-product of every slump in the business cycle. And the writer submits that the freezing process will be much less complete with the inventories divided among thousands of users who have daily need for the goods than among hundreds of dealers who can only store them until demand is reestablished."

"Nothing is harder to surrender than one's accustomed standard of living, and the user will fight with his last dollar to hold the conveniences to which he has become habituated. But so long as the dealer has the goods this normal human impulse has no power to relieve the situation."

"Whether you overproduce a cash market or a credit market your reward is an accumulation of temporarily unsaleable goods. All the logic of the question tends to prove that these will be fewer with an inventory widely distributed among instalment buyers who will strain every nerve to keep them than if the same inventory were in the dealer's warehouse. And such of the goods as do come back from the instalment buyers will be at least as easy to handle as if the dealer had never parted with them. Even granting the contrary for the sake of argument, there could be no serious complication from incomplete instalment sales for the outstanding volume is not great enough."

The writer, being in the automotive finance business, deals with that industry largely. He points out that the cost of financing is not high, and that the practice has netted the 1925 buyer of a car about \$400 due to the increased volume and efficiency it makes possible. As to the finance companies' expense of doing business and excessive charges the writer finds no sign of it and points out that "the most successful finance companies, out of their rates, have not averaged a net profit quite as high as 1½ per cent of their turnover."

In *System*, Edward B. Skinner says that a



Business houses everywhere are in the bondage of this Reign of Terror

Put an end to Payroll Banditry for good by using this modern system

LIKE some ancient vandal chieftain who ruthlessly took human lives, in order to gain his ends, the gunman today exacts from American business the lives of those who handle payroll cash.

No business that pays employees by cash is free from this tyranny of America's most vicious criminal organization. Almost daily, in cities small and great, payroll bandits strike and shoot to kill—inside offices as well as on the street. They want money—cash—and will not be thwarted by guards, iron bars or even retaliatory gunfire.

Free your business from the despotism of payroll banditry. Pay-by-check and thereby save your funds . . . and above all the lives of your faithful employees.

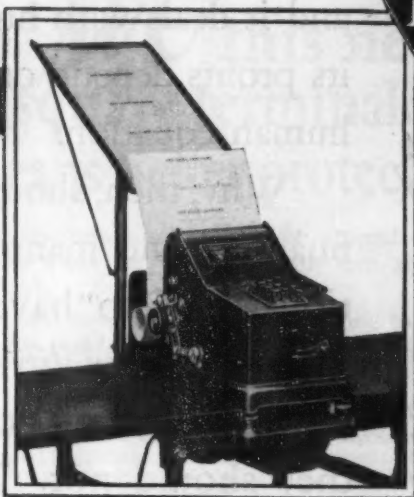
Install the Todd System

Through the use of Todd Protectographs and Todd Checks, your payroll problem can be efficiently and economically handled. And the work can be done at an amazing speed by using our latest Protectograph—the Todd Super-Speed.

This machine is built on an entirely new principle. It is unequaled in speed and simplicity of operation. *It is a labor-saver, a time-saver, a money-saver.* With it a reasonably experienced operator can write in the amount lines at the rate of 1200 checks an hour.

The Super-Speed and other Todd Protectographs write in words and figures—in two colors. The forger cannot alter them because the imprint is shredded into the very fiber of the paper. And if you use Todd Greenbac Checks, and Standard Forgery Bonds, every cent of your funds has a triple protection against loss, and your checks are cashed by local tradesmen without hesitation or risk.

A Todd expert is ready to demonstrate the Super-Speed for you. And our handbook—"Modern Payroll Practice"—will open your eyes to the advantages of the Todd Pay-by-Check System. No other book on the



Todd



Trade-mark

The Todd Super-Speed

A demonstration will show its astounding speed and efficiency

The Super-Speed is made in hand and electric operated models. Operates like an adding machine. The fastest check-writing machine made—twelve hundred checks an hour. Takes checks singly or in sheets. Repeats any amount automatically. Can be closed instantly for corrections. Prints in two colors. Sturdy, all-metal stand aids in efficiency and speed of machine.

subject is so complete and authoritative. Efficiency experts would charge you a large sum for similar information. The handbook will be sent free to every executive sending the coupon attached to his letterhead. The Todd Company, Protectograph Division, (Est. 1899.) Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.* © 1927, The Todd Company

THE TODD COMPANY 5-27
Protectograph Division
1130 University Ave., Rochester, N. Y.
Gentlemen: Please send me a free copy of "Modern Payroll Practice."

Name _____

Business _____

Address _____

TODD SYSTEM OF CHECK PROTECTION



1
The Protectograph eliminates a large percentage of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up. Only Todd can make a Protectograph.



2
Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing change of payee's name, date and number, and "counterfeiting." Countless imprints of the word "VOID" appear the instant the forger's acid is applied.



3
Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company.



Business Needs to be Humanized

American business needs to be more human. It needs life and color. A corporation may be a legal entity; but it is conducted by human beings, and it deals with human beings, and its profits depend on the well-known human equation.

Why, then, should not industrial, financial, and manufacturing institutions seek to have a memorable, agreeable *personality*?

There is no good reason why they should not. There are many reasons why they *should*. One way to establish an attractive individuality is through letterheads which express attractive qualities. That is why stationery of Crane's Bond has come to be so well-known among firms which seek for leadership.

Crane's Bond is the paper out of which your printer, lithographer, engraver, makes business stationery, checks, statement forms, invoices. Ask him for estimates—and samples—of Crane's Bond No. 29, with envelopes to match.

Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY • DALTON, MASS.

When writing to CRANE & COMPANY please mention Nation's Business

danger of instalment selling lies in its application to perishable merchandise with but little if any resale value.

While the discussion of instalment selling goes on, retailers are even more interested in the problem of the chain store. *The National Provisioner* in discussing a speech by Edward A. Filene on meeting chain-store competition says: "Chain must be met with chain, Mr. Filene believes. The individual retailers must organize and form a chain of their own. In this they have an enormous advantage. Each store has the supervision of its owner, not of a paid manager. All the owner must do is to associate with a sufficient number of other owners to avail himself of the advantages of the chain in both buying and selling.

"What can the wholesaler do to maintain his place in the system of distribution? He can begin now to organize the retailers buying from him. He can help the retailers to help themselves and thus 'save his bacon.'

"And what can the manufacturer do? First of all he must sell to the chains, and he can if he is able to meet their needs. While some of the chains produce, in most lines they, too, realize that production is one function and distribution is another."

Under the title "Is the Independent Merchant Doomed?" the *Dry Goods Economist* takes the position that he is not. It disagrees with Mr. Filene in two points. First, that the group plan is but "a step in the evolution toward a genuine chain, and that it cannot be maintained indefinitely on the basis of individual ownership."

Their second point of divergence with Mr. Filene is that the specialty store need not compete with the large chain or department store on a price basis, but through exclusiveness, originality in selection, and in an individual high type of service which the chain or department store could not possibly afford. And:

"The development of the specialty store has been an unconscious response to a need of human nature, the power of which is very seldom recognized by those economists who see our civilization gradually reducing mankind to the status of machines.

"Therein lies the fundamental error of socialism, and with all due respect to Mr. Filene, his argument involves exactly the same fallacy which nullifies that of the celebrated Karl Marx. The fallacy may be expressed thus: Mankind is invincibly opposed to regimentation. It can be drilled in uniform just so far, and then comes the inevitable revolt."

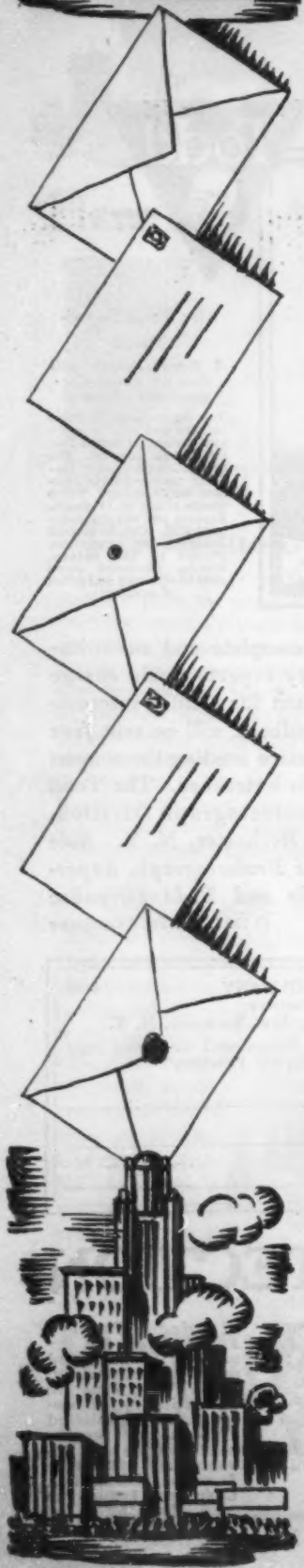
Approve Chamber's Study of the Migration of Industry

IRON AGE believes that "highly valuable information on recent shifts in industrial geography should result from a research just undertaken by the Chamber of Commerce of the United States."

The aim of the investigation is to determine the causes, the consequences and the extent of the migration of the past year in American manufacture.

"The building of the Panama Canal and the advances in railroad freight rates which date from war-time have set in motion new currents in manufacture and trade, the consequences of which are so far-reaching and so complicated that their final measurement is likely to be long deferred. Industries in the Middle West have lost business that once came to them from seaboard districts, and newly established seaboard plants have profited at their expense.

"In discussing last year the need for more water-way development, Secretary Hoover



pointed out that the migration of industry from the interior to the seaboard was a factor in the economic pressure upon the farmer. Where industry has moved from the heart of agriculture, the farmer's market has been pushed farther away and at the same time such products of industry as the farmer bought had been made more costly by higher freight charges.

"By no means simple is the task the Chamber of Commerce of the United States has set for itself. It aims to present actual figures as to capital, men employed, value of output, and all other details of manufacturing companies in various industries, whose loss to one district and gain to another have been a definite development of the past year.

"Thoroughly analyzed and intelligently interpreted, the data should not only throw light on some present economic trends but show how closely bound together are the interests of agriculture and industry."

Position and Control of Water Power Discussed

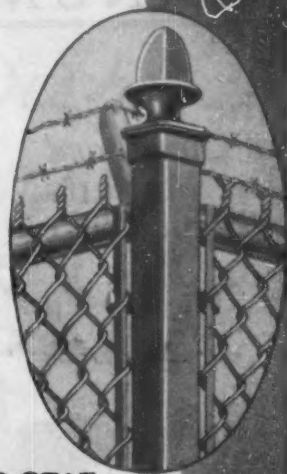
ELECTRIC power generation by steam rather than by hydro-electric plants is more economical in many cases, points out *Electrical World*, in an editorial on the "True Position of Water Power." It says:

"Slowly but surely the true picture of the position of the water power resources of the country in the field of power generation is emerging from the haze into which the unwise and over-optimistic propaganda of a score of years thrust the subject. The trend toward extensive steam-electric plant construction in California is a striking example of the change that is taking place. The public today is still firmly of the opinion that electrical energy generated by water power is inherently low in cost and that the development of a water power site means the solution of the problem of supplying electrical energy in a particular territory. Many organizations have rushed into the construction of hydro-electric plants only to find that the anticipated cheap energy fails to materialize. Others are facing the fact that rates based on the assumption that hydro-electric energy is cheap fail utterly to produce a showing on the balance sheet, in spite of the utmost care in operation."

New York is in the midst of a controversy that may be of considerable interest to citizens of other states in the future. And as power is fast becoming a nation-wide political issue, *Engineering News-Record* considers it at some length. Governor Smith is opposing the granting of various power leases on the St. Lawrence and in the Adirondacks to private companies as the present commission that administers leases has been anxious to do. He maintains that "the people will lose control of their rights in ownership of water power under the existing system, and as a protective substitute he has hit upon the idea of what he calls a Power Authority."

"This Authority is a new thing in government. It is having its first trial in the Port of New York Authority where its ultimate feasibility remains to be demonstrated. It is intended to be a cross between public and private ownership, retaining the best features of each. The Authority is a body appointed by the governor, confirmed by the Senate, and thereafter operating as a private corporation to build and operate such structures and machines as are required for the purpose for which it is intended with money procured in the open market, the return of which is guaranteed by the proceeds of the business in which it is engaged.

"The state is in nowise responsible for the validity of such securities, but taxes are remitted upon them and because of their



Yes sir this new
square terminal post
means better protection!



"It's unclimbable—no bands around this Anchor Post on which tramps can get a foothold.

"And see how the fabric is fastened to the post from the *inside*. No one on the *outside* can get it off."

If you intend to purchase a fence it will pay you to get complete information regarding Anchor Fences and this new and important feature of construction. It will also pay you to remember that Anchor Fences are galvanized throughout and that their intermediate as well as terminal posts are the strongest on the market. Anchor Sales and Erecting Service is nation-wide. A letter, phone call or wire puts it at your disposal.

ANCHOR POST FENCE COMPANY

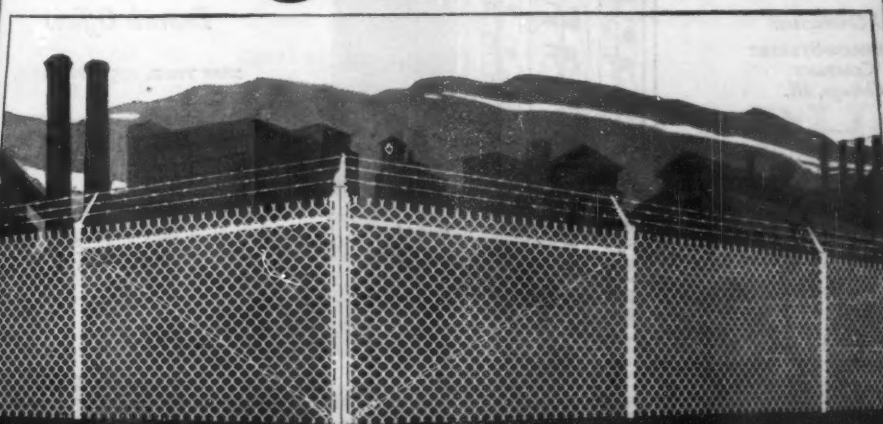
9 East 38th St., New York, N. Y.

Branch Offices and Sales Agents in Principal Cities

ANCHOR

CHAIN LINK

Fences



"BUY THE FENCE WITH THE STRONGEST POST"

MONUMENTS OF THE AGES

The Temple of Diana and The Women's Athletic Club

THROUGHOUT the classical world great temples and luxurious baths were dedicated to the Athletic Goddess, Diana the Huntress. And, now, a new temple has been raised in honor of modern athletic femininity—the Women's Athletic Club of Chicago.

How astounded would be the ancients if they could view the achievements of modern times! Even their empresses knew no such refinements of luxury as the Women's Athletic Club puts at the disposal of every one of the members, today.

And among these modern marvels is the fire protection secured by the use of Dahlstrom steel doors matching also the work of classic designers in beauty and far surpassing it in practical serviceability.

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK

Metal doors and trim
by Dahlstrom

THE WOMEN'S ATHLETIC CLUB
Chicago, Ill.

Architects:
SCHMIDT, GARDEN
& ERIKSON
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General Contractors:
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COMPANY
Chicago, Ill.



Branch Offices

NEW YORK, 475 FIFTH AVE.

CHICAGO, 1980. LA SALLE ST.

DETROIT, 1331 DIME BANK BLDG.

Representatives in principal cities

DAHLSTROM



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pseudo-official status they are expected to be sold—and were sold in the case of the New York Port Authority—at rates approximately those for public securities and considerably lower than for a private enterprise. It is the proposal of the governor, therefore, that such an authority be established over all the public streams in New York State.

"It is contended that thereby the state will continue to keep control of the ownership of its potential power, the first cost of power will be cheaper because of the lower interest rates the Authority will have to pay, the people will continue to have the benefit of the superior operating ability and facility of the privately owned companies, the rates to the public will be definitely controlled by the contract for the sale of the power, and there will never be the possibility of a private monopoly swaying a rate control and the ruling courts into an interpretation of value and rates therefrom which is inimicable to the people's interests."

The editorial attacks all these contentions and sums up in these words:

"In short the citizens of New York, and possibly in the future the citizens of other states, will have to decide whether this clever piece of machinery will do what is claimed for it. Will it insure cheap power and continued ownership; and if so will it do so any more effectively than the leasing system?"

"They will have to decide whether the evils of public utility control are irremediable, and whether as a way out the tortuous alleys of government ownership should be explored."

Business Is Charged With "Evading Taxes"

FROM *Barron's* comes this editorial:

"There is an unconsciously arrogant note about the outgivings of bureaucracy which must be highly distasteful to that minority of Americans who still believe in freedom. The bureaucrat does not mean it, but it does not take him long to believe that what he does is desirable and even indispensable. It has been found useful and economical in business for firms to incorporate in order to reduce their tax burdens. This is an entirely open, intelligible, thrifty and in all ways laudable object, but it will be observed that the chief of the 'investigating division' of the joint committee on Internal Revenue Taxation calls this 'evasion.'"

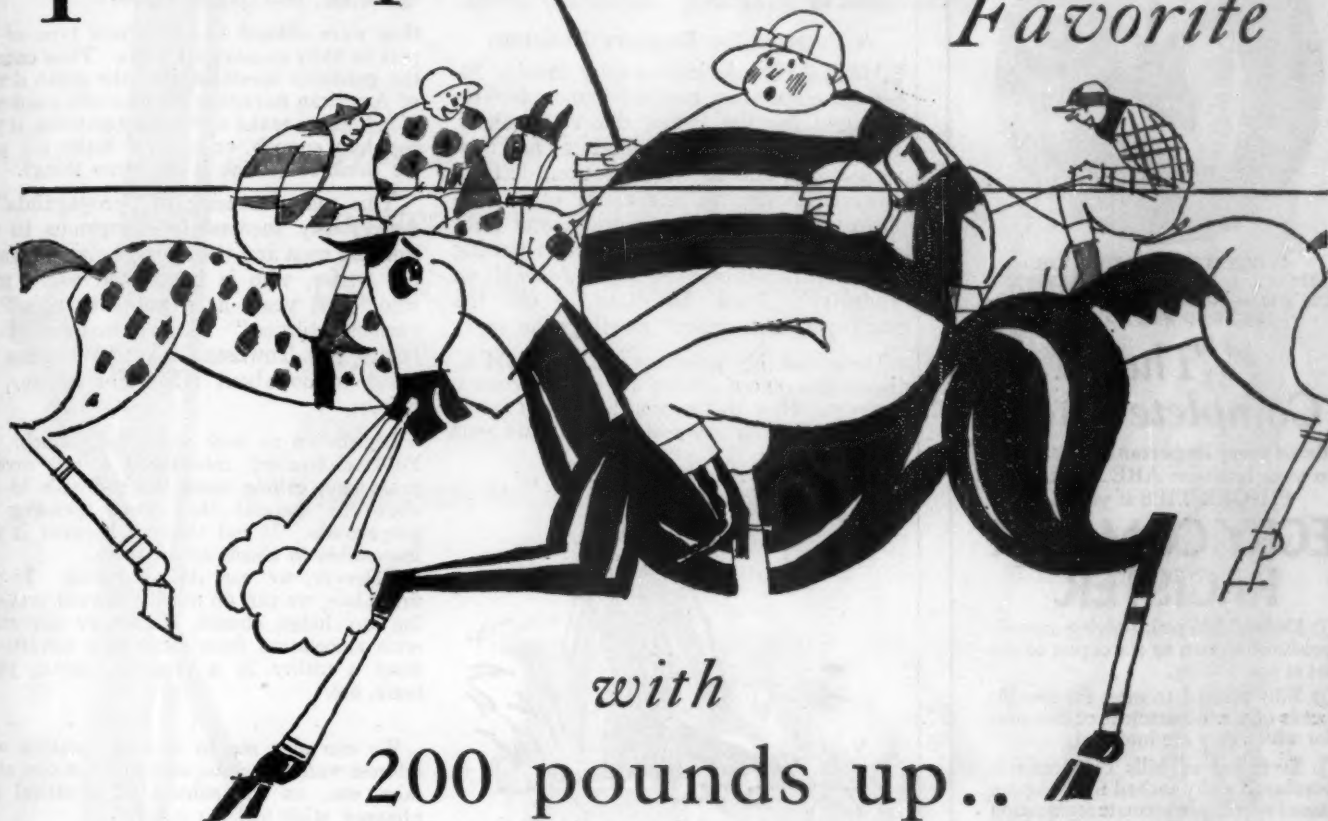
"If we really believed in liberty as our forefathers believed in it, if we knew how to secure it and hold on to it as they knew, we would tell that official, in the most pointed way, where he got off. The word he uses is offensive and impertinent, and yet newspapers publish it and even use it in their captions, as if a charge of bad faith against the business of the country were the merest small change of conversation.

"No one but a fool pays more taxes than he must. There is no public spirit in paying taxes you don't owe. The better patriot is the man who closely scrutinizes his tax demand. He is a poorer citizen who pays without question anything he is asked.

"Taxes are a means to an end, and not an end in themselves. It is nothing to rejoice over if the Treasury collects more than Congress had expected. Every cent is taken out of the earning power of the nation. If incorporation can save, by all means let it save. The method chosen is honest and above board, and no Treasury official, or anybody else, should be permitted to apply a name to it which suggests dishonesty."

To borrow a phrase from the *Commercial and Financial Chronicle*, "When Law Controls the Man Who Will Control the Law?"

Perhaps *you'd start a Derby Favorite*



with
200 pounds up..

But if you knew anything about race horses . . . you wouldn't back him to win

You've got a thoroughbred right in your office—a telephone system that, if fairly treated, will run true to form.

It is designed, primarily, to handle outside calls, but you're putting on it the extra burden of handling all inter-office calls as well.

That's the reason why you can't get your associates on the wire when you want them . . . why you must wait or walk in order to hold conferences . . . why outsiders calling you must "hold the wire" so often.

There's only one sure remedy for such an ex-

asperating situation, the installation of the Dictograph for inter-office communication.

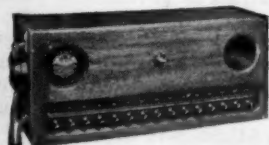
We will gladly demonstrate this tried and true system of interior telephones at your convenience and without obligation.

Merely write to the DICTOGRAPH PRODUCTS CORPORATION, 220 West 42nd Street, or to any of our branches and agencies, located in all principal cities.

DICTOGRAPH

SYSTEM OF INTERIOR TELEPHONES

Get your man...no waiting...no walking



Dictograph
MASTER STATION

*Send me a copy of your booklet,
"YOUR BUSINESS AT YOUR FINGER TIPS"*

Name.....

Address.....

N-5

A business man's judgment is no greater than the extent of his information



WOULD YOU BASE YOUR
IMPORTANT BUSINESS DECISIONS
ON RECORDS MADE BY A BLIND-
FOLDED EMPLOYEE?

The Complete Facts about every important transaction in your business ARE AT YOUR FINGER TIPS if you use **EGRY COM-PAK REGISTER**

- ① Dependable result-giving records produced in two to six copies to the set at one writing.
- ② Bills printed to meet the specific needs of the department of business for which they are intended.
- ③ Every set of bills consecutively numbered and punched for filing are issued speedily in accurate registration to an exact size by one turn of the register handle.
- ④ Every record complete and informative.



*Adapted to issue continuous
length Roll or Fold-Pak Forms*

Widely used by
WHOLESALE PROFESSIONAL MEN
RETAILERS ASSOCIATIONS
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INSTITUTIONS MANUFACTURERS

*Use coupon to get full information with complete
set of actual forms furnished many satisfied users.*

THE EGRY REGISTER COMPANY

Dayton Ohio

THE EGRY REGISTER COMPANY
Dayton, Ohio, Dept. A

We shall be glad to receive from you, without in any way obligating us, complete information with actual forms, showing how the EGRY COM-PAK will help in the efficient conduct of our business.

Name of Company

Kind of Business

Street Address

City and State

What the Labor Press Is Saying

A cross section of trade-union publications disclosing significant aspects of the editorial policies in their interpretation of national affairs and industrial relations to organized workers.

A Formula for Employee Relations

EMPLOYEE relations usually involve little more than baseball games, basketball, golf for the ladies, dances, smokers, prize fights, life insurance, building and loan associations, and higher education, declares Edward Harris, "former editor of an employee magazine, welfare worker, and publicity man for corporations," when writing in the *International Molders Journal* on "Industry's Poor Relations." Of the monthly "get-together" meetings, he says:

These monthly meetings are also held to discuss grievances. None are ever discussed, however. How in the world can you insult your host? How are you going to talk sour



to the people that invite you and your sweetheart to a dance and refreshments afterward?

At the baseball game it is baseball. At the basketball game it is basketball. At the smokers it is prize fights and dirty jokes. There are no grievances.

The company, however, fosters the myth of direct contact between the workers and the bosses. It tells the workers that they can see any boss any time they want to if they have something on their chests they want to get rid of. So can a buck private see his captain—after he has seen his corporal, sergeant, second lieutenant and first lieutenant.

To the situation of the employees he applies a liberal touch of interpretative satire:

Nobody's happy, but nobody's sad. We're underpaid, but our jobs are safe. Maybe we'll change to another job next month, next year, but meanwhile we're secure, and security counts for a great deal. It's harder to lose your job with the company than for a needle to pass through the camel's eye. Honestly, the company would sooner have a loafer than fire you. It is a fetish with the company; the bosses are actually afraid that, if they fire you, you may give the company a black eye. This superstition may sound fishy to the outsider, but it's a fact nevertheless. Employee Relations must promote Public Relations, you see.

Utility Propaganda "Debunked"

WHEN the public utility monopolies discovered that they could no longer conduct their business on the methods of Jesse James, Inc., they decided that the right thing for them to do was to become

refined, says R. O. Townsend in "an inside story showing how the power combine bunks the public," printed in the *Machinists Monthly Journal*. To accomplish the transition, he explains that—

they were obliged to add a new type of expert to their managerial staffs. Thus entered the publicity specialist into the great drama of American industry; he who can guarantee beforehand to make any cause righteous, if you pay him enough, or at least make the people think so (which is the same thing).

This manufacturing of "propaganda" is dangerously successful—dangerous to the working man and the average citizen, warns the writer, who is introduced as "a man who spent years as a publicity agent for various utilities." Having marshalled his bogies, Mr. Townsend asks: "What are we going to do about it?" For answer, he writes:

Legislation as such won't help much. La Follette (senior) introduced a bill several years ago, calling upon the railroads to declare the amount they were spending on propaganda. It fell through because it was impossible to check up on them.

However, we can do something. In the first place, we can do our bit toward preventing any lodge, church, bazaar, or any other civic association from requesting advertising from a utility in a program, menu, year-book, etc.

We can also see to it that speakers who address women's clubs, church functions, state fairs, etc., on the subject of electrical appliances, stick to their subject.

We can see that our school systems are not open to speakers from utility publicity bureaus, or at least we can see that the other side is invited to present its case. In general we can see that the chief danger of such publicity lies in its indirect circulation, and we can pass the word along. When we know where it comes from it is not dangerous.

A Plea for Public Ownership

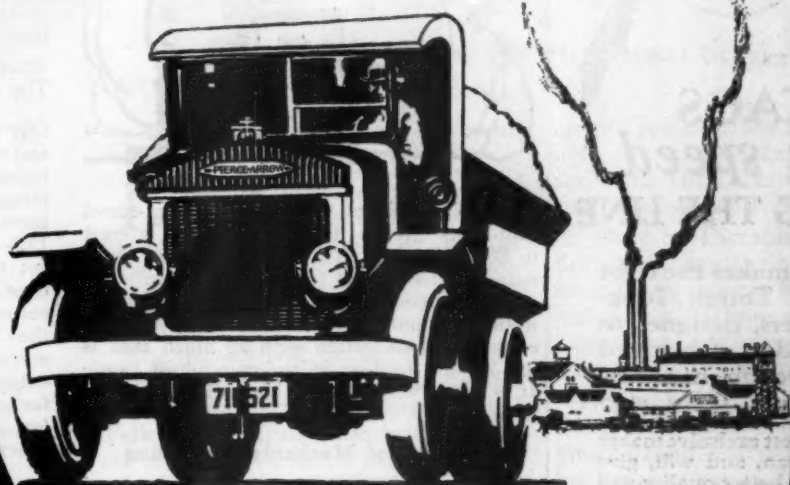
APPROVAL obtained by "administration leaders in the Senate" for government purchase of the Cape Cod Canal, as the *Locomotive Engineers Journal* sees it, ended "ten years of astute maneuvering by eastern capitalists to unload their bad investment on the people." The history of this maneuvering, as given by the *Journal*, follows:

Some years ago the Belmont and Ryan interests, the Union Trust Company and the Morton Estate of New York combined with Rothschild & Sons of London to put up \$6,000,000 for the construction of the Cape Cod Canal, out of which they hoped to reap golden dividends. But trade currents changed; Boston no longer flourished as a leading Atlantic port; New England lost her industrial supremacy based on water power to the coal-powered west and electrified south. So the big bankers concerned, who are mortally afraid of government ownership of railroads, steamship and telephone lines and public utilities generally, have been lobbying around Congress for the past decade to "put over" the purchase by the Government of this unprofitable canal from their private company for \$11,000,000, or \$5,000,000 more than it cost them. At last, with Mr. Coolidge's benign approval, their plot stands on the verge of success.

Since Mr. Coolidge and the administration

VITALITY

When a Pierce-Arrow Truck is old in years, it still has the VIGOR and the POWER it had when young. This magnificent VITALITY is the thing that makes a Pierce-Arrow Truck investment a GOOD investment.



THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.

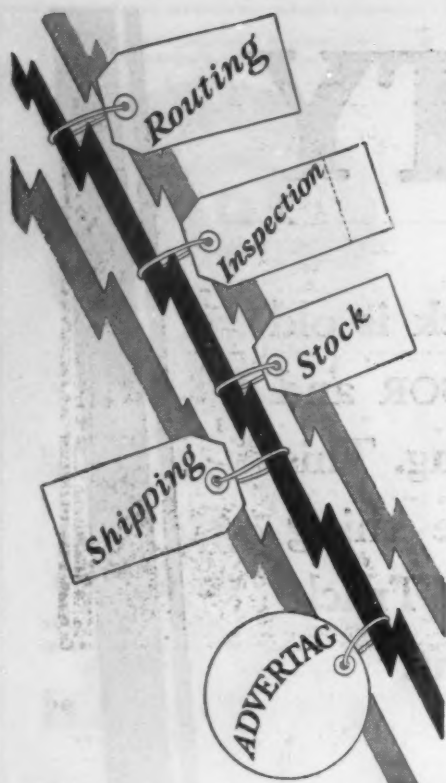
\$3500

and up for chassis,
f. o. b. Buffalo, N. Y.

Sizes: 2, 3, 4, 5, 7½
tons. Six-cylinder
Motor Bus prices on
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Terms if desired

**Pierce
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*Dual-Valve · Dual-Ignition
Worm Gear Drive*
MOTOR TRUCKS



The RIGHT TAGS increase speed ALL ALONG THE LINE

AND Denney makes the right tags right. Tough, long-lasting identifiers, designed to give explicit orders, fabricated to withstand rough handling and long journeys.

As the world's largest exclusive maker of tags, Denney can, and will, give you better service, better quality and lower prices than others who do not specialize on this one line. We're doing it right along for such buyers as General Motors, duPont, U. S. Rubber, Ford, Western Electric and hundreds of others.

If you would like to know "how" and "why" just check and mail the coupon below.

DENNEY TAGS
WEST CHESTER, PA.

THE DENNEY TAG COMPANY
1420 W. Second St., West Chester, Pa.
Kindly send without obligation on my part the items checked below:
☐ Booklet "How to Buy Tags Right"
☐ Samples of Distinctive Tags
☐ Quotations on Enclosed Tags
Name _____ Street _____ City _____

have thus recorded themselves in favor of government ownership of a shipping canal which private interests have failed to operate profitably, we shall look to them to be equally logical by advocating public ownership of the Muscle Shoals and Boulder Dam power projects and similar public utility monopolies which are certain to return handsome dividends to the public.

Capitalists in Communists' Clothing

COMMUNISTS who attempt to belittle the American Federation of Labor report on the fur-workers' strike will become entangled in their falsehoods, contends the *Fur Worker*, for "this new attempt at whitewashing will only roll them deeper in the filth of their own creating." On weighing the truth of one of the communist statements, the editor concludes that—

It is nothing new that the dwindling fortunes of the communist party of America are propped up by capitalists, lawyers, and realty



men. No doubt all such of their semi-secret protectors have a direct or indirect interest in Soviet Russia. They are not sworn Communists, God forbid. They are certainly not idealists, because the conscience of idealists would not, unless they were misled, let them continue a connection with so much that is unholy and unclean in the communist camp. It is rather what Carlyle has called the "cash nexus."

A Vision of Mechanized Building

OPEN-SHOPPERS and other friends of the American Plan have their eyes on the building trades, "the rich prize of industry," by report of the *Journal of Electrical Workers and Operators*. In the construction field the journal sees concentrated "the best disciplined, highest paid, perhaps the most skilful, most loyal unionists in America." Were it possible for them "to be destroyed and scattered, then one of the principal obstacles to Fordizing Americans would be removed." But if the automatic machine should begin to invade the building field, then—

the open-shopper will have a new condition in his favor, unless the unionist takes full advantage of his present strategic position and unionizes the machine. Professor Schlichter counsels unionists to take a keener interest in the larger problems of industry, and the advice seems the counsel of wisdom. Organized as the building trades are, with intelligence, traditions, courage, and passion for the group, which the trades have, nothing can assail themselves but themselves. Should the building trades become cocky or careless, or sluggish, should they be indifferent to technical advances and to education, they can fall before the enemy without. But if they follow the present practice of keeping

abreast of the industry, if they bring devotion and knowledge and efficiency to their common problems, nothing can break them—for nothing can take their place.

A Pay-As-You-Enter Union

THE COMPANY union organized in the General Motors plant at Flint, Michigan, draws sarcastic notice from the *International Fire Fighter*. With John P. Frey as its authority, this journal tells its readers that—

Employees pay 45 cents a week dues. The company doesn't take any chances about getting the money. It sees the pay envelope first and takes it at the source.

In this way it gets \$1,755,000 per year from 75,000 employees.

The employees, in turn, get \$1,000 in insurance, when they die, and a club house. If they don't shut up and behave, they get a dirty look and maybe lose their jobs, insurance, club house and all, as Mother Goose would say.

If they strike for more pay—but this is no fairy story.

What a union, Mr. Gallagher!
Go to blazes, Mr. Shean!

Prosperity—At What Price?

WHERE did these huge profits of 1926 come from? asks the *Locomotive Engineers Journal*, and then proceeds to trace the "golden stream of colossal profits deluging the owners of America's industry." The source, as found by the *Journal*, is:

Out of the blistering sweat of the hunkies and the technical hired men who run the steel industry for its absentee owners. Out of the farmers of the country whose crop values have declined over a billion dollars since 1925—and in 1925 the farmers did not even get the cost of production out of the produce. Contrast the billion dollar gain in corporate profits with the billion dollar loss to the farmers, and reflect that the colossal corporate profits exceed by \$2,500,000,000 the entire amount received by American farmers for producing the wheat, corn, oats, rye, barley, potatoes, apples, cotton and all their other crops, to feed and clothe the nation.

In the same vein the *International Molders Journal* comments on the \$203,000,000 stock-dividend of the United States Steel Corporation:

But how about the communities where the steel industry has maintained its plants? What of the homes in which the majority of the workers have been compelled to live, ramshackle tenements crowded together in unsanitary areas? Outside of the type of hut found in the mining camps there is nothing in America presenting so squalid a picture as the homes in which the majority of the steel workers have to live.

A part of this gift was made possible to the stockholders because American workmen at American wages were not employed, and furthermore because the welfare of its employees, the places provided for them in which to live, has apparently been Judge Gary's last consideration.

One of the most influential advocates of the high tariff, the United States Steel Corporation, while asserting the tariff was to protect the American workman and permit high wages, has been the greatest importer of non-English-speaking European labor. The record of the conditions under which this labor has been forced to work and live is a blot on the page of America's history.

The American people have paid a very high

What's Wrong With Shorthand?

Executives say:—

- "Out sick, so my letters have to wait."
 "If I could only dictate while it's fresh in my mind."
 "I'm forced to cut dictation short."
 "She can't help me with other things."
 "If she could only take it as fast as I think."
 "It's the 'ring and wait' system."
 "She can't get out all she's taken."

That's enough! I'll send in the coupon below on general principles.



Helen Delahanty

Secretary to Mr. Reiss, avers she simply couldn't organize her work without her Dictaphone.

What's Wrong With Shorthand?

Secretaries say:—

- "I'm sure he said that, but . . ."
 "No one else can read my notes."
 "Those awful waits while he chats over the phone."
 "Hours wasted while he's in conference."
 "These endless notes make me dizzy."
 "I'm nothing but a bell-hop."
 "No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD

Dictaphone Sales Corporation,
154 Nassau St., New York City

☐ Please notify your nearest office to let me try the New Model 10 without obligation.

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

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Treasurer and General Manager,
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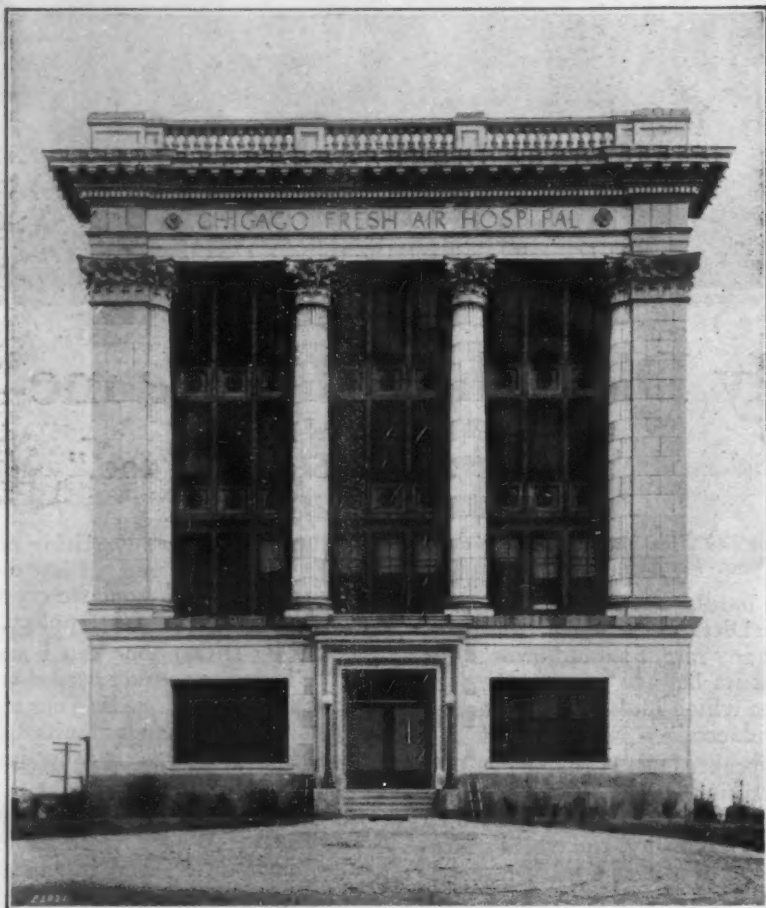
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Wheeler Sees Swindle in "Valuation"

UNDER the head of "The Valuation Swindle," the *Locomotive Engineers Journal* prints an interview with Senator Burton K. Wheeler, in which he reveals to Elliott Harris "the scheme to hold down wages." As reported by Mr. Harris, the senator said:

This scheme to value the railroads at somebody's guess as to what it would cost to reproduce them is the biggest swindle in the country. It has a direct and most important bearing on railroad wages. . . .

The railroads are trying to pad the money pay-roll. Where one dollar was invested in the property, they are trying to get what they



call a fair return on two dollars and in some cases even more. If you padded the pay-roll of men—if you paid wages to two or three men where only one was working—there wouldn't be any wages left for money. If you pad the money pay-roll, there isn't going to be enough left for the men. It works both ways.

I suppose the railroads of the country actually cost about fifteen billion dollars. Woodlock admitted when we had him before the Senate Committee that the carriers' scheme of "valuation" would give the railroads a valuation of around thirty-three billion dollars; and according to the Transportation Act, the Interstate Commerce Commission will have to fix freight and passenger rates high enough to pay a fair return on that sum.

When asked by Mr. Harris whether he thought the increased valuation would affect rates, the senator is reported to have replied, in part:

Let this fake valuation go through, and you never can reduce rates. The railroads will have a complete excuse, not only for fighting reductions, but for demanding increases if the country gets prosperous enough to stand the extra strain.

But this trick of saying that where a railroad has invested ten million dollars it is entitled to a return on thirty millions, because someone guesses that it would cost thirty millions to reproduce the property now—that is so manifestly unfair that it ought to be stopped, and railroad workers have a mighty good reason for assisting in stopping it.

48-Hour Week a Nightmare

COTTON manufacturers should wake up and rid themselves of the nightmare that seems to have taken possession of them, "the abolishing of the 48-hour work week," thinks Thomas F. McMahon, president of the United Textile Workers of America. In the *Textile Worker* he contends that "it is here to stay," for "the workers say so, and they are the doctors

in this case at least." Of their state of mind he says:

The workers in the south are about ready to take their degree. When they do, like the good 100 per cent Anglo-Saxons that the mill men and David (Dumbbell) Clark have been calling them, their first bite will be a mouthful. Once good old Anglo-Saxons like Sullivan? Murphy? McManus? O'Connor? etc., of North and South Carolina get into their heads that they are being fooled, poor old Dave (Dumbbell) Clark will have as rude an awakening as he did before a congressional committee a few years ago. The cost of manufacturing cotton cloth in the south is as high, if not higher, for all counts over 72 x 68, 4.75 yards to the pound. Bleaching and printing must be done in the north, as well as dyeing. It is in the low-grade spinning mills, like in Gastonia, N. C., because of women and children, where profiteering is possible.

Why Welfare Work Pays

FOR ANSWER to his question, "Why do American employers blow in millions of dollars annually on various types of industrial welfare work?" Robert W. Dunn, writing in the *Railway Clerk*, finds that—

welfare work pays because it increases productive efficiency, reduces labor turnover, "attracts a desirable grade of labor," advertises the business and gives the corporation an incalculable boost in public good will

and that it also

reduces strikes and labor difficulties, "lulls workers into a feeling of contentment with conditions which would otherwise be vigorously rejected," avoids state regulation by furnishing an argument that it is not needed, "provides palliatives for a low wage," benefits humanity, reduces taxes on profits by artificially inflating costs. Finally it "disrupts the discipline of unionized labor."

But the true purpose, he contends, is—

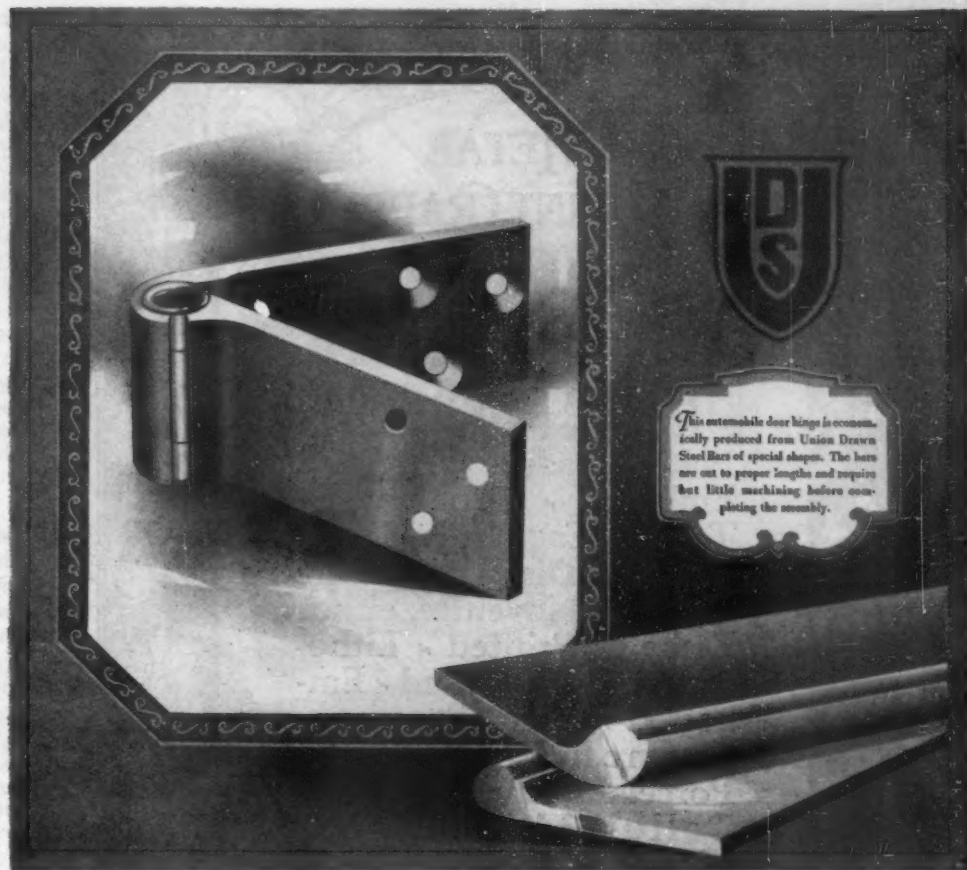
to promote the highest possible efficiency of the industrial machine under the profit system.

Wherever there is a strike, or the threat of one, the press agents of the "generous" corporations begin to trumpet the beneficence of the corporation. In other words, the corporation openly admits that its free will gifts were made in the hope and expectation of getting due "credit" for them in an emergency.

But the American corporations admired by all traveling "labor delegates" of European nations is "selling" more and more of this sort of feudalism to the American workers, and all the outcry of the trade unions has not yet been able to stem the tide. Some of the unions have decided to try to provide the workers all, or at least the best of the benefits they could get free from the company.

Economics from Calendars

THING of beauty is the Railroad Calendar for 1927, published by the Committee on Public Relations of the Eastern Railroads, concedes the *Sheet Metal Workers Journal*, though this tribute is tempered with the feeling that "perhaps it is a little gaudy for some tastes." But more important than the artistic effect is rated the showing of "how great a burden the railroads bear in the form of wages paid to their employees, and how little remains for



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such purposes as repairs and upkeep, not to mention dividends." This production, the editor feels sure—

will adorn the walls of many a business office during the coming year, and that the railroads will get plenty of the sympathy they evidently crave, while labor costs, on the other hand, will appear in the light of an undue and unreasonable burden. This will create sentiment opposed to the granting of impending demands for further increases in wages.

Admitting that the figures probably are accurate, he proceeds to analyze:

It will be noticed that much is made of the fact that, out of the 365 days, only 12 are available to provide for improvements out of earnings. That is not enough. How shall we provide more? Cut down the wage bill is what the roads want the public to say.

The possibility of suggesting something better, he explains, invites him to notice that "fixed charges absorb forty-one days," and "that is altogether too much," though "some fixed charges, perhaps, cannot be avoided, but the greater part are due to wasteful methods and inefficient management." By way of specification, he points out that—

jobs which the regular laboring force of the company could take care of go to favored contractors, and cost from 50 to 100 per cent more than they would cost if done in the ordinary course of the day's work.

Schools Provide Low-Pay Clerks

WITH its admission that public school education for retail salesmanship is entirely commendable in its design, the *Retail Clerks International Advocate* takes occasion to point out "the evident anxiety of the merchants organization to further the cooperative policy." Approval from employers organizations for this sort of vocational training will be perfectly understood by "those old in the selling game," the *Advocate* declares, for—

clearly the merchants prefer to employ those who have been trained in the work of retail selling. This desire is perfectly natural and cannot be criticized; but those of us thoroughly familiar with the inside workings of the retail industry recognize plainly the manifest eagerness of the employers to secure this part-time help at small expenditure of wages and to seize the opportunity of obtaining through the schools a better class of employes for this purpose, these students being willing to work out a part of their training for little or no pay.

In other branches of vocational education we do not hear of employers seeking the services of the students for part-time employment under the guise of affording them the chance for practical experience. The building trades, the printing trades, the needle trades and other lines of industry do not use the public schools as recruiting stations from which to obtain part-time help. Why, then, should the retail stores of our country be permitted to do so? Why should the wages of experienced salespeople be held down by the abounding supply of material from the public schools who are willing to work in the stores for a few hours each week under a so-called cooperative plan of education?

Just why should the people be expected to pay taxes for the maintenance of schools from which the merchants are able to secure help at low wages and with the assurance that an unending supply of such help will be available year after year?

Who are our 250,000 Subscribers?

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Treasurers.....	13,274
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Directors, Chairmen of Boards, Comptrollers, General Counselors, Superintendents and Engineers.....	10,700
General Managers.....	19,739
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	18,674
Major Executives.....	196,160
Other Executives.....	14,500
Total Executives.....	210,660
All other Subscriptions.....	39,340

NATION'S BUSINESS, Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities

Some Feminine Trade Views

BY EDNA ROWE

"STRIKES?" The owner of one of Baltimore's most productive mills repeated my question, as his mind and eye equally alert in golf and industry—gauged the distance to the next green. He drove, followed with his gaze the clean arch of the skimming ball, and the discussion moved along with us over the knoll. "Strikes? No—we've never had one. But then," he explained with a twinkle, "we've only been operating the mills a little over a hundred years. Perhaps the first hundred years are the easiest!"

"Is it a secret formula—your strike immunity?"

"As secret as human nature. There's a suggestion of rather old standing—called the Golden Rule, I believe. Or, if you prefer modern phrases: 'Play fair!' If people are already contented, they don't rush into unemployment, hunger and bloodshed seeking contentment."

"Specific examples," I begged with a woman's persistence.

"Well, there are the women workers with cars. We keep four mechanics on hand solely to keep those cars in repair. Without charge, of course."

"May I start work for you on Monday?" I breathed hopefully.

"No vacancies," he laughed. "Then, too, they seem to like the housing idea. We furnish them homes at a nominal rent. When it becomes necessary to lay off the workers temporarily, their rent stops automatically."

"Even I can't find much room for argument there. But how about the higher-ups? Haven't I heard it's the executives that cause complications in big factories? Fargo is bitter, because he had to shut down last month, and now two of his heads won't come back. Do yours?"

"Come back? No."

"Well, then—I" triumphantly.

He tapped his ball gently into the hole. "They don't go. We don't lay off executives. In other words"—he gave my putter, on which I was lazily leaning, a little shake, loosening my grip—"if you don't hold up your staff, you can't expect it to support you."

I tottered, catching my equilibrium. "Yes, sir," I answered meekly; "you win."

* * *

IN A FASHIONABLE Florida resort hotel I patronized almost exclusively by the middle-aged affluent, whose wives, like their bank accounts, have grown to rather appalling figures, I was unable to discover one full-length or even three-quarter mirror. None in the bedrooms. None in the ballroom. None in the elevators nor in the lobbies. In a modern hotel, and in this day of reflected glory, I marvelled at the seeming negligence. As I pondered, four women arose—with difficulty—from the bridge-table near me. A polka-dotted foulard, size 48 (millions of dots, but no dash!), a straining white jersey "sweet little sport-frock for the Southland," a billowing rose china silk, a cream-puff of ecru net. Fatted calves in raspberry silk hose. Double chins. Chains of plump beaded bags nestling in plump wrists. Happy, self-satisfied smiles.

Light flashed upon me. No mirrors. Happy, self-satisfied smiles. A mistake—a negligence? Or psychological genius on the part of the management?

"Is it, then," I queried with Milt Gross;—"is it a system?"



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—is a book which will interest you. It presents in a new light the part that *informed management* is playing in power economy.

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Industrial Cleaning Materials and Methods

Chamber "Do's" and "Don'ts"

VIII—Inside or Outside?

By Colvin B. Brown

Manager, Organization Service, Chamber of Commerce of the United States

IS YOUR chamber of commerce a one-cylinder "put-put" or an eight-cylinder self-starter? Is your city full of independent organizations, some efficient, some not, each working for some particular group, or is the local chamber a high-powered organization taking care of all the legitimate needs of the various business interests? To change my figure of speech slightly, is the business world, like your city streets, congested, or has it learned that the bus is more efficient than the private automobile?

There is a destructive force at work in some communities. Particular group interests see a desirable end and organize an agency to carry on work for its attainment. They organize the independent agency because they feel that the work can be prosecuted faster. This may be true, but it sacrifices for the attainment of one end the strength and representative character of the chamber. Carried to its logical extreme, it reduces the chamber to a mere general interest body with no standing or weight in the community.

The organization of independent industrial promotion agencies may be taken as an example of this tendency. The chief argument in favor of the independent bureau in this connection is that it can be organized to carry on its work with prospects in a confidential way. But this may also be done in a chamber. It can be done by creating a strong committee that can and will stand between the manager of the bureau and pressure from members which might interfere with the confidential relations between the bureau manager and the particular client.

One Bureau Resists Pressure

IN BALTIMORE, for instance, the Industrial Advisory Committee is composed of the president of the Association of Commerce, the president of the Baltimore Clearing House, the president of the Consolidated Gas Electric Light and Power Company (representing the public utilities), the president of the Baltimore and Ohio Railroad (representing the railroads serving Baltimore), and the mayor of the city. (The mayor was put on the committee in order to give the bureau an official contact with the city departments in connection with its work.)

It is important but entirely feasible to make the industrial bureau in a chamber entirely "leak" proof. This has been done, and it has proved successful in operation.

The point I want to make is that the business men in every community have a stake in having their interests as a whole represented by a strong and effective central organization, which organization is the local chamber of commerce. In their eagerness, or the eagerness of any given group of business men, to develop a particular promotion or research activity, business men should not sacrifice the interests of their chamber by setting up independent agencies in what is legitimately the chamber's field. Rather they should make a sincere effort to solve any organization difficulties which may exist to the end that the new activity may be effectively organized and the local chamber strengthened as a result.

It may be said: "Why, this activity is too big for the chamber to undertake. It couldn't handle it effectively."

The answer to this is either: "The activity is not too big. The chamber has demon-

strated its capacity to handle big problems in several different cases. Not only has it demonstrated its ability from the point of view of sound policy but also from that of effective administration. We have an organization that is capable of expanding to carry on this activity effectively, and we also have the means to make this special activity more useful by fitting it in with other activities. It should be done by the chamber because it will avoid confusion, duplication, and waste, and it will fit in with the chamber's business and civic building campaign. Its work will be more effective because the business men of this community have confidence in the chamber."

Make the Chamber Capable

OR THE other answer is: "If the activity is really too big for the chamber, it is high time to reorganize; the little one-lung flivver should give way to the high-powered eight-cylinder efficient car. If this isn't done, the business men's efforts will be scattered through many independent or loosely federated promotion and research agencies. If we don't coordinate our efforts, we will fall behind in the economic struggle. The business men of other cities who have had the foresight and wisdom to create strong central organizations will leave us behind."

An analogy that is effective and, up to a certain point, valid is that of our various governmental agencies. The haphazard creation of independent administrative agencies in federal, state and local governments has led to a general demand for the revision of this inefficient organization and, in its stead, the creation of a few centralized executive departments. The whole trend of present-day governmental organization is toward the centralization of administrative authority. It is the efficient way to get things done.

Why go back to methods that have been proved antiquated? Why create a situation that will sooner or later force an amalgamation of these various agencies? When a new activity is proposed, there are but two questions to be considered.

1. Is the activity a desirable one to undertake at this time?

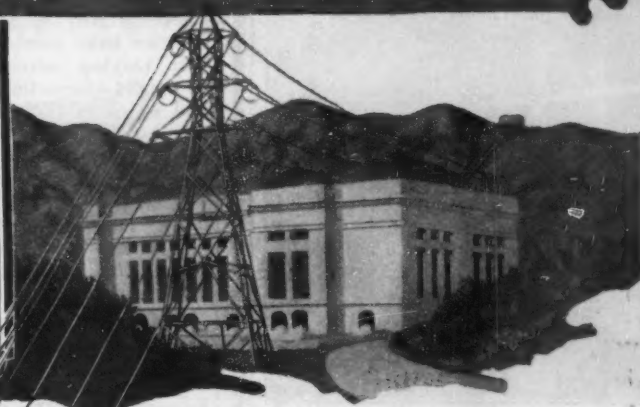
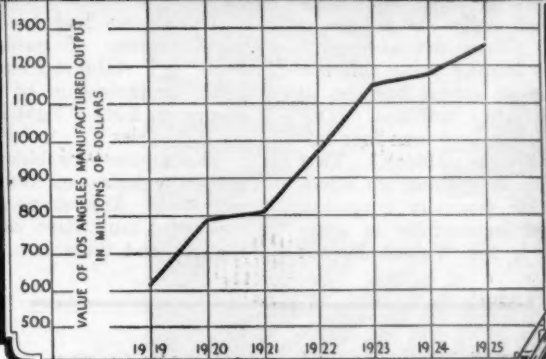
2. If so, how can we best organize and finance it within our chamber of commerce?

The second question is probably easier to answer than the first. Judgment of methods of proper organization is almost intuitional with business men. But to answer the first question calls for vision and judgment of a high order.

The gospel of more factories has been preached so long and so loudly that many people think that any factory will fill the bill, not realizing that their town might be more prosperous if the factory remained where it was and its employees were long distance consumers. A city may be prosperous and amply fulfill its destiny when it has a population of twenty-five thousand; but when after superhuman efforts it has raised its population to fifty thousand, it may have grown too much and suffer the penalties of over-expansion.

Overproduction in industry is a common phenomenon and one that is attracting wide attention at present. But it hasn't occurred to many that there might be overproduction in factory towns.

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IN SIX YEARS the Los Angeles district has industrially increased its manufactured output valued at \$618,777,520 in 1919 to \$1,258,018,266 in 1925; the largest percentage gained among all large cities. (Federal figures.)

The foundation of this imposing industrial structure is... freedom from industrial strife... efficient labor... dense local population... adequate shipping to world-wide markets, East and West... abundant water, oil and natural gas... varied raw materials and the lowest power rates of any city, competitive industrially, in the United States.

The president of a large internationally known ship building corporation recently said: "Our Atlantic seaboard plant power bill for last year when we worked about six thousand men was over \$400,000. That power bill in Los Angeles would be about \$260,000... quite a saving in that item alone."

(A number of Eastern manufacturers have already found a Pacific Coast plant investment in Los Angeles justified by savings in power bills alone not to mention the many other favorable economic factors in production costs. A confidential, detailed, specific report will be prepared for interested industrial executives. Advise us fully the construction and production schedules contemplated.)

BUREAU of POWER and LIGHT

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News of Organized Business

By ROBERT L. BARNES

SINCE the enactment of the Webb-Pomerene Act on April 10, 1918, various industries have combined under its provisions with varying success. There are at present 50 export associations formed under this law and which in 1925 did an export business of one hundred and sixty-five millions. (Our total export trade for that year was four billion nine hundred and nine millions.) That the law has not done everything its advocates claimed for it is generally conceded, but it has been used successfully in some lines. One of these is the Walnut Export Sales Company, which George Lamb, its managing director, described at the Sixth Foreign Trade Conference at Cleveland.

Before the war 90 per cent of the walnut business was export. After the war both domestic and foreign markets were disorganized. The manufacturers did two things. First, they organized a cooperative campaign to promote sales in this country. Second, they incorporated the Walnut Export Sales Company under the Webb-Pomerene Act. The publicity campaign has proved successful.

Production is double that of prewar, with 85 per cent being used in this country.

Export business before the war had been in the hands of brokers largely on a consignment basis. This had proved very unsatisfactory. In fact it had been necessary that each mill send a man over at least once a year to straighten up the mess. However, "since forming the export company, things have changed," according to Mr. Lamb, who continued:

We put up standard grades, better than provided by the rule book. We established our own inspection service. The brokers found that they could depend upon our standards, and merchants began specifying "Wesco" walnut.

We established terms of sight draft for 100 per cent of invoice, and abolished all consignments. We gave "on board" bills of lading, so when drafts were presented the buyer knew that his lumber was nearing port. We gave reliable, detailed specifications that permitted sales of parcels before the landing of goods. We required the names of buyers from the broker so as not to be misled by multiple inquiries from a single source.

Instead of a dozen connections in every market, we needed only one and could pick the best. We also passed up poor credit risks and have yet to lose a dollar on this account.

With our combined strength we have been able to get better transportation, handling and insurance service, eliminating

most of the trouble of shortages and damage.

At first we had to be content with a small volume of business, but we have built up a stabilized market.

The organization of a Webb-Pomerene company, from a legal standpoint, presents no difficulties.

The greatest problem is to set up the proper organization and to secure the right personnel. Any business organization to be successful must have capable executive direction, and there is nothing in the Webb

law that provides this feature. A successful Webb corporation may be organized along the lines of a domestic company, but the directors must establish a policy arrived at from the standpoint of an export company. That policy should then be given to the executives to put into effect with the same power that they would have in a domestic company. I believe it is also essential that at least the chief executive of the export company have access to any desired information regarding member companies. If the member companies

have any secrets, then the export company cannot transact the export business intelligently and as considerably of the problems of each member as the broad policy permits.

In our own company the records of member companies are open to me. As a result our export selling is not done in ignorance of the situation in production matters.

I have been asked a great many questions about how capital stock expenses and business are divided so that everyone is satisfied. These considerations have never given us any trouble. The necessary capital to run the company depends largely upon the terms of sale to the trade and terms of payment to the mill.

In our case, after we had determined upon our terms of sale we decided on a policy that would pay the mill when we got our money. This made necessary only a nominal capital tied up in the export company, leaving it with the mill in liquid form under inventory or bills receivable.

When we came to dividing up the capital stock, human nature asserted itself in the ancient gesture of putting both feet in the trough. A proposed division on the basis of productive capacity led to some rather unexpected announcements of accomplished and pending enlargements. The division, however, was finally made on the basis of the record of gunstock production during the war. This proved acceptable, and subsequent experience indicated that



THE FERBERT-SCHOENDORFER CO.

PAINT & VARNISH MANUFACTURERS,
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November 6, 1926

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Gentlemen:- Attention-Mr. C.J. Daugherty.

Following out the pictures which we sent you of the views of our new office, we take this opportunity of assuring you of our satisfaction with the installation. We, needless to say, recommend them without reservation to anyone who is at the present time, interested in the building of an office.

Again thanking you for the service you have rendered to us in this matter,

Very truly yours,

THE FERBERT-SCHOENDORFER COMPANY

WES/T

Secretary.

They Like It

READ what the owners of this building say about their new Sanymetal Office Partitions.

Then note these points, which are vital to you in the choice of an office partition:

A special type and price for every sub-dividing requirement.

Door and panel sections interchangeable—alterations easily made.

Four separate runways for wiring.

Fit any floor space or height.

Remarkable sound-deadening qualities.

Expert plan and erection service.

Before you buy—investigate the new Sanymetal partitions. Write for Bulletin No. 25.

THE SANYMETAL PRODUCTS CO.
1726 Urbana Rd. Cleveland, Ohio

Sanymetal
Toilet and Office
PARTITIONS



HE was a small manufacturer of electric dryers, who one day found himself without a source of supply for motor parts and windings. The people from whom he had been buying suddenly abandoned motor manufacture as an unprofitable sideline; they cut him off with little notice and with scant consideration.

But his was a "going" business. He needed motors, and he needed them quick. So he brought his problem to Domestic.

Overnight, our engineers worked out a complete universal type motor, specially designed for his needs. Within 45 days deliveries began—and another manufacturer was saved from business embarrassment.

Between Dusk and Dawn we found his answer for him!

Many appliance manufacturers, whose volume is small but whose requirements are highly "special", face what seems to be a difficult motor problem. Yet they need not accept "stock" motors that do not fully meet their appliance specifications; nor need they turn to unreliable or impermanent sources of supply. Perfect motor application with us is a creed. The building of lasting connections

with successful concerns is our one aim in business. Manufacturers in a score of household, commercial and industrial fields are today sharing the advantages of experience, flexibility and close personal contact in their dealings with an organization that works as a department of every client's business. A line of inquiry will bring full information regarding our service as applied to any fractional horsepower motor problem.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Avenue CLEVELAND, OHIO

Domestic
"INDUSTRY'S BIGGEST LITTLE THING!"
Electric Motors
FRACTIONAL HORSEPOWER

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business

Sales Multiplied 29 Times in Five Years

SINCE 1922 the production of Celotex has increased from 12,000,000 square feet to the present annual basis of 350,000,000 feet.

The market for Celotex is as wide as the building market itself. *Every* home owner wants the new degree of comfort and the substantial fuel-saving that Celotex brings . . . and *every* home owner can afford it.

Already Celotex has been built into more than 119,000 homes. With this same material thousands have been remodeled.

These facts establish Celotex as one of our fastest-growing basic industries. An ample supply of raw material to meet future demand is assured by the practically unlimited yearly supply of *bagasse*, the cane fibre from which Celotex is made.

The production and marketing of Celotex are on a sound, economic basis. Many of America's leading business men are identified with its success.

Complete information about Celotex may be secured by addressing Dept. M-265, The Celotex Company, Chicago, Illinois.

CELOTEX
INSULATING LUMBER

this was an excellent basis for a division of capital stock.

We do not take possession of any mill product until it is sold; therefore stocks are available for either domestic or export business.

When we first organized, we deducted a percentage from each invoice to cover the overhead expense. Later, we found that when domestic business was brisk some mills were "sold out" whenever export orders were offered. That left it up to some other mill to pass up attractive domestic business, take more than its share of export business, and pay more than its share of the expense. We solved that problem by prorating all expenses monthly. Then the fellow who stepped out and sold all his stock in the domestic market paid his share of the overhead just the same. The system has worked beautifully.

Our business is divided up on the basis of the holding of capital stock by each member. If a member owns 10 per cent of the stock he is entitled to 10 per cent of the business in money value. However, we start a new plus and minus list every year. Otherwise the foxy bird would accumulate a beautiful "minus" when domestic business was good that would entitle him to all the export business for a while when domestic business was slow.

The directors once legislated to make each member take orders in turn, regardless of his stocks, but after one or two squeezes this action was rescinded. Now it is left to the managing director, and with proper information we have been able to divide business fairly and at the same time acceptably to each mill.

One of the things that looked tremendously important when we started was the "contract" between the export company and the mill. This document was long and intensely legal. It provided means of getting out in three years or being kicked out in five days. It did bind the mills to sell only to the export company and not to sell directly or indirectly to the export trade. That is about the only provision that we have had occasion to call to a member's attention. This contract was and is important.

The pressure for world markets is bound to become terrific and in the Webb-Pomerene Act, American industries are given an opportunity to meet the highly organized industries of other nations on a more nearly equal footing.

Trade Lexicography

ORGANIZED advertising by entire industries is a phase of the inter-industrial competition which has developed so rapidly in the past decade.

Cooperative advertising definitely entered the million-dollar class when the laundry owners decided to spend four million in a national campaign during the next four years. Other trade associations have been spending from thirty thousand to three hundred thousand dollars a year with the lumber and concrete industries expending approximately half a million.

A few days after the announcement of the laundry owners' campaign the photographers decided to spend two million dollars in the next four years. They plan "to lead the general public to a better appreciation of the fine art of the profession of photography."

To get the full value of such association advertising it is necessary to supplement it with individual advertising and merchandising. "The return on cooperative advertising is directly proportionate to the strength of its tie-up with the member's individual efforts," according to O. H. Cheney. Trade

The Development Service of Southern Railway System, Washington, D. C., will gladly aid in securing industrial locations, farms and homesites in the South.



Woodland Wealth

A soft green mantle of great forests clothes the rugged backbone of the Appalachian Range and the coastal plains of the South. Almost one-half of the nation's lumber supply is furnished by the South.


The South values her trees among her most precious possessions. No longer do men slash away whole forests here, with no thought of the morrow. The Southern States and Southern lumber companies are cooperating to carry out not only conservation policies but also reforestation programs.

The value of Southern forest products and the output of the Southern wood-working industries total more than \$800,000,000 yearly. And each year the Southern lumber industries find an ever widening demand for their products.

Timber is one of the South's great natural resources. But this rich heritage is being conserved and developed for future generations as well as contributing its share to present prosperity.

The Southern Railway System is conducting forestry work along its lines in Southern Carolina on a tract of 19,000 acres, inherited from the days of wood-burning locomotives. It is demonstrating that the adoption of modern methods of forestry and reforestation pays both large and small owners of timber tracts.

SOUTHERN

RAILWAY  SYSTEM

THE SOUTHERN SERVES THE SOUTH

When writing to SOUTHERN RAILWAY SYSTEM please mention Nation's Business

The Greatest Salesman in the World

He never quits, nor gets discouraged, finds nobody "in conference," misses no trains, wastes no time.

He can travel anywhere in the United States for two or three cents per call. Can make thousands of effective calls a day, cover the country in a week.

He cooperates unselfishly—helps other salesmen—tells them what to say—follows up customers—creates leads.

You can control him absolutely—make him what you want him to be—impart to him your own ability.

Don't overlook this salesman. You can use him with profit. He can add tremendous creative drive and power to your selling. You already know his name—*Direct Mail Advertising*.

Good art work and cuts, good printing, and good paper, specially surfaced to give fine printing quality—these are the essentials.



That the finest coated paper comes from Cantine's is shown by the fact that the Cantine Mills today coat more paper than any other company.

Book of samples and name of nearest distributor upon request. Address Dept. 456.

THE MARTIN CANTINE COMPANY
Saugerties, N. Y.

New York Office, 501 FIFTH AVENUE

[NOTE—To compete for the famous Martin Cantine awards for skill in advertising or printing, send to the Martin Cantine Company samples of all work you produce on any Cantine paper.]

Cantine's

COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

IF

you are not already a NATION'S BUSINESS subscriber send in this handy coupon.

To the U. S. Chamber of Commerce
Washington, D. C.

Send me NATION'S BUSINESS, your official monthly publication, beginning with the June number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME.....

ADDRESS.....

CITY AND STATE.....



When writing to THE MARTIN CANTINE COMPANY please mention Nation's Business

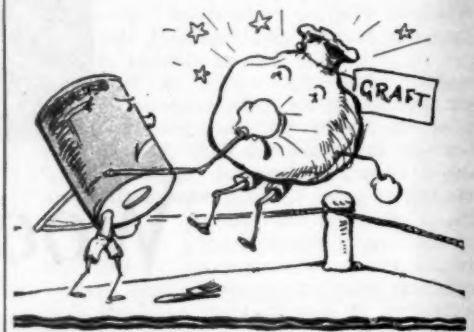
associations of all classes are considering its possibilities.

For instance, the Texas Cotton-Seed Crushers' Association is starting a campaign in the farm press to sell the farmers more cotton-seed meal for use in their cattle food. And from Cincinnati there emanates a new national slogan: "Clothes Do Help You Win—Dry Clean Them Oftener."

It might be mentioned that the paint and varnish industries claim that their well-known slogan, "Save the Surface and You Save All," is worth \$7,000,000, or a million dollars a word.

Group competition is back of the campaign of the Institute of American Meat Packers to find a larger place in the consumer's stomach. The Institute is undertaking a study of its product, its source, its food value, production methods, and preparation for final use.

In 1907 the National Varnish Manufacturers' Association voted for national legislation to suppress "graft." When the Federal Trade Commission began in 1917 to take cognizance of the evil, the association adopted and individually signed an agreement to suppress it and secured the adoption of an identical agreement by the Paint Manufacturers' Association. Both associations made signature of this agreement a condition of membership. Shortly thereafter both associations established in Washington an Unfair Competition Bureau with the duty of cooperating with the Federal Trade Commission in the suppression of unfair trade practices, includ-



ing "graft," misbranding, etc. This bureau is charged to "hew to the line, let the chips fall where they may." The two mentioned associations consolidated in October, 1925, and formed the American Paint and Varnish Manufacturers' Association.

Intelligent cooperative action resulted in the use of 20 per cent more zinc in 1925 than in 1924. During the war munitions demands raised the price of zinc and resulted in paint invading the zinc market. After the war cut-throat competition resulted in reducing the weight of zinc coating to a point where it lasted no longer than painted sheets. Here was a zinc market slipping away, so to stop the loss the American Zinc Institute cooperated with "the Sectional Committee on Specifications for Zinc Coating of Iron and Steel under the rules of procedure of the American Engineering Standards Committee and the sponsorship of the American Society for Testing Materials." How important this phase of the new competition is is well shown by the statement of a member of the committee that substitutes for zinc-coated iron and steel were yearly replacing 1,000,000 tons of iron and steel sheets, requiring more than 100,000 tons of zinc for protective purposes.

What is the oldest trade association? The American Paper and Pulp Association celebrates its fiftieth anniversary this year. The association is undertaking an intensive study of foreign markets and the increasing use of

paper and pulp products; an investigation of the pulpwood situation in New York and the New England States; the employment of a competent engineer to continue the cooperation with individual states in the solution of the stream purification problem and other common engineering problems.

* * *

Another cause of friction between buyer and seller should be eliminated by the general adoption of the report of the Raw Silk Classification Committee of the Silk Association of America. The report was undertaken in order to "advance the standards of testing and to propose a uniform, definite classification" of stream filature raw silk. The work of the committee is based upon a large amount of experimentation by laboratories and upon many thousands of tests covering the entire range of quality available on the New York market. Part I of the report deals with definitions of defects—its purpose is to standardize by description and illustration the names and terms used for various defects. Part II represents, in the opinion of the committee, the best current laboratory practice in methods of testing. It furnishes accurate information upon the methods by which the characteristics of raw silk should be tested to determine the grading according to R. S. C. classifications. Part III is the R. S. C. classification. It is a technical publication and one that will undoubtedly have a widespread and beneficial effect on business relations in the silk trade.

Parking and the Retail Store

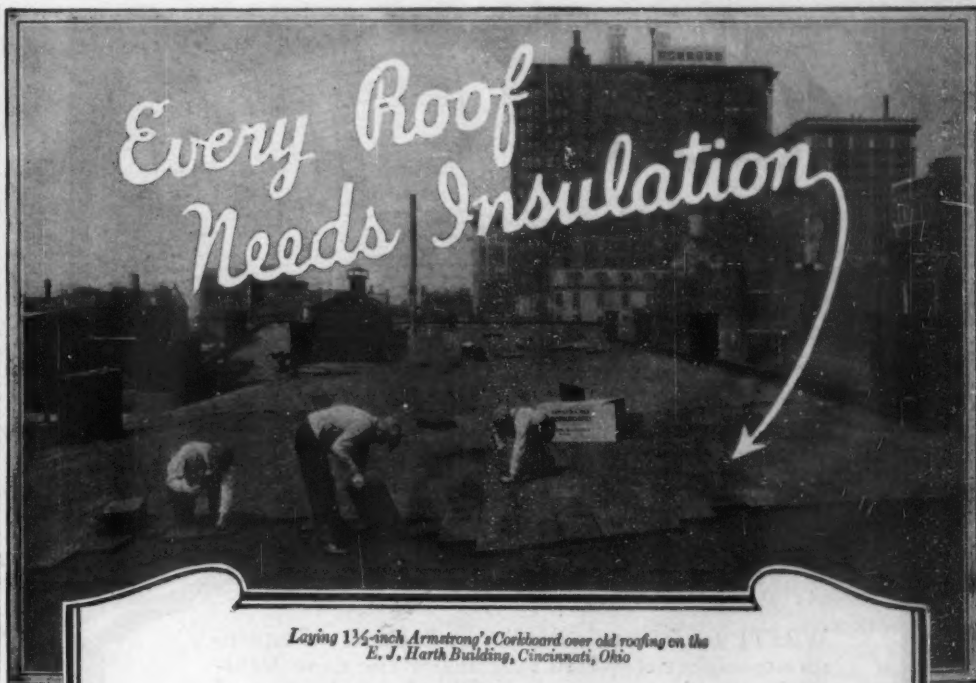
OF PARTICULAR interest are some remarks on parking made by W. M. Jacoby, secretary of the Retail Merchants' Association of Pittsburgh, before the National Association of Retail Secretaries. Of particular interest because they deal with the locating of responsibility and the general tendency to shirk by passing it to some governmental agency.

Stores in the congested shopping area in any city should not, in my opinion, make a privileged class of their automobile customers by providing storage places for their cars. It is also a grave question in my mind as to whether it is a proper municipal function, either. It would seem that the erection of private parking garages, where motor car owners pay for their own service, is the correct solution of the parking problem.

The majority of the customers of all of our stores are not motor car customers. It is conservatively estimated, in the city of Pittsburgh, not more than 20 per cent of those persons who come into the downtown district every day to do their shopping ride in motor cars. The other 80 per cent are street car and motor bus customers. In spite of their greatest number, no special privileges are given them.

It is very hard to calculate the amount of additional expense to which cities have been put by reason of the growth of the motor car, but it is enormous, and I, for one, do not recommend that the real estate of cities be still further taxed to provide accommodations and facilities for automobiles.

With growing congestion in the downtown areas in most cities, the time seems to be approaching when passenger motor cars will be entirely excluded therefrom. A plan is under study in Pittsburgh at the present time to stop individual cars at the edge of the congested area where private parking garages have been provided, and to furnish a motor bus service throughout the downtown district. The buses will take up about as much street room as two ordi-



Keep Cool this Summer under a Cork Insulated Roof

JUST as surely as summer arrives and the blazing sun beats on uninsulated roofs, top floors will be oppressively hot, working conditions will be uncomfortable and employees' efficiency will be lowered.

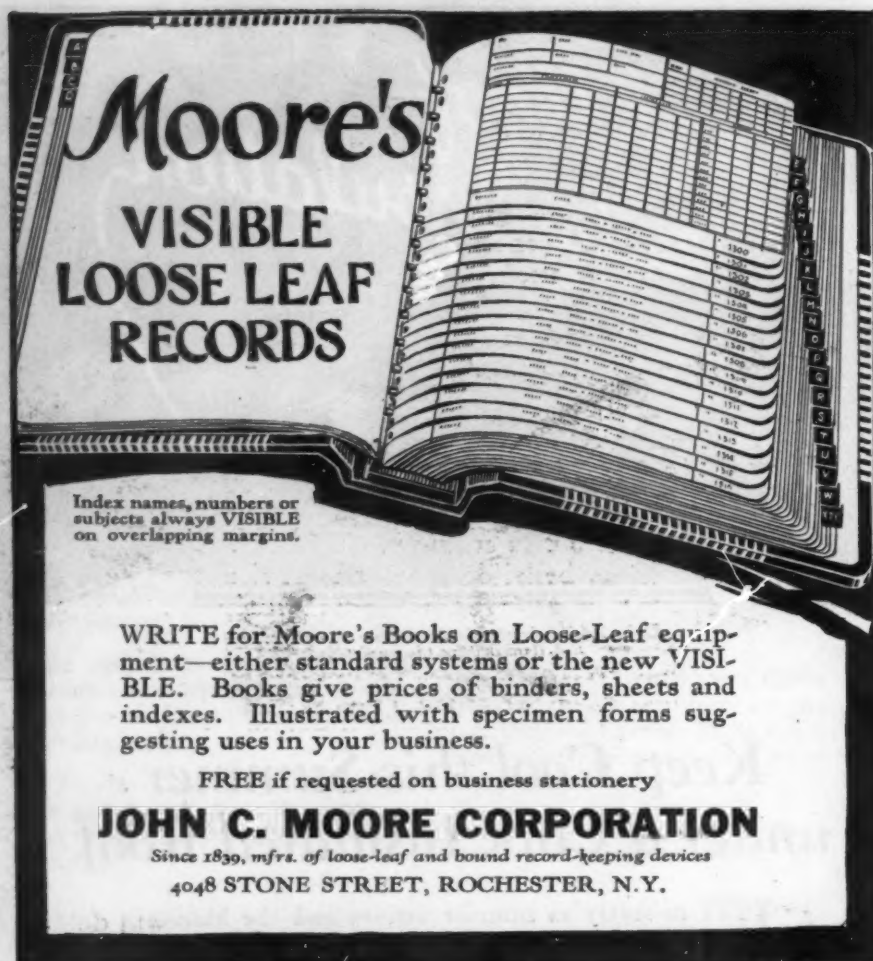
Insulate *your roof* with Armstrong's Corkboard and enjoy the comfort of cooler top floors. There is no better time to insulate than now. Armstrong's Corkboard can be laid directly over the old roofing material, forming a perfect base for the new roofing. The result is a permanently satisfactory roof, heat-tight as well as weather-tight.

A roof insulated with Armstrong's Corkboard will protect top floors from winter's cold as well as summer's heat, insuring year-round comfort. And the saving in fuel will be sufficient to repay the cost of insulation in a very few years.

Two interesting books giving complete facts about Armstrong's Corkboard have been published for your information. They will be sent free on application. Write for "The Insulation of Roofs with Armstrong's Corkboard," and "The Insulation of Roofs to Prevent Condensation." Address Armstrong Cork & Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pa. Branches in the Principal Cities.

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings



Moore's
VISIBLE
LOOSE LEAF
RECORDS

Index names, numbers or subjects always VISIBLE on overlapping margins.

WRITE for Moore's Books on Loose-Leaf equipment—either standard systems or the new VISIBLE. Books give prices of binders, sheets and indexes. Illustrated with specimen forms suggesting uses in your business.

FREE if requested on business stationery

JOHN C. MOORE CORPORATION
Since 1839, mfrs. of loose-leaf and bound record-keeping devices
4048 STONE STREET, ROCHESTER, N.Y.

Associated Gas and Electric System

Founded in 1852

23,000 Customer-Investors

Over 37,000 persons have invested in Associated securities, of whom 23,000 are customers and employees. This represents a growth from less than 1,000 shareholders in 1919 to the present number.

Customer-ownership, fostered and developed by public utilities, has grown to such proportions that it has given a new meaning to "public" in public utility.

Public Utility Management Has Two Responsibilities

Not only do the utilities serve the public but they are in a large measure owned by it. This in turn has added a new responsibility to management. It must provide

Adequate service to its customers
Sound securities to its investors

Customer-ownership is helping slowly to revolutionize the investing and savings habits of thousands of persons. It offers sound securities with good yields which customers may purchase on a partial payment plan.

The management of the Associated Gas and Electric Company is fully aware of this double responsibility to its public in providing dependable service and sound securities.



Associated Gas and Electric Company

Incorporated in 1906

Write for our Illustrated Year Book "N"

Associated Gas and Electric Securities Company

61 Broadway

New York

nary motor cars and will accommodate 30 persons instead of one or two at most, on the average, of motor cars.

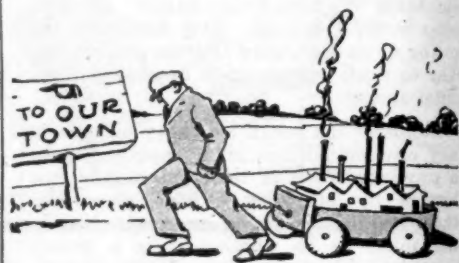
Consideration of special privileges for motor car patrons brings to mind other special privileges granted by department stores. The cash customer pays the same price for merchandise as the charge customer who takes thirty to sixty days to pay his bill. In many cities no interest is charged on deferred payments and such customers gain a sixty to one hundred and twenty day advantage over cash customers and an advantage of about half this period over charge customers. The customer who carries his purchase home pays the same price for it as the one who has the same article sent home in a store truck. These seem to be unfair distinctions which some day, perhaps, must be adjusted in some manner.

NACOS and the Bonus

AN EDITORIAL in the house organ of the National Association of Commercial Organization Secretaries attacks the giving of bonuses for the location of industries in these words:

Time was when it seemed altogether proper and necessary to present a bonus in some form or other to induce an industry to locate in any particular city. But today many chambers of commerce operate on a rigid policy of no bonus, while others seem committed in principle to this policy and yet find its operation difficult. There is no doubt, however, that the trend is toward the abolishment of the bonus in industrial promotion.

It seems that some industries themselves do not favor the bonus, for we learn from



an eastern chamber of commerce that it has secured a well-established financially sound industry without a bonus or without payment of any kind, although the industry had been offered \$300,000 to locate in another town.

If an industry is to succeed, the location of its plant must be as scientifically considered as the other factors which determine the success or failure of the enterprise.

Extending Sales to Foreign Markets

A CONTINUOUS stream of requests from producers, manufacturers and merchants is being received by the Foreign Commerce Department of the National Chamber and various other foreign trade agencies as to the possibilities of doing export business, and as to the organization and methods required to carry it on. "Doing Export Business" is a publication issued by the Foreign Commerce Department aimed to answer these questions. In the introduction to the book, Chauncey D. Snow, manager of the department, writes:

Export markets are providing profitable business for a large number of our members in all parts of the country and in a variety of lines. To the member just entering the export field there is much useful information available from the experience

of other American concerns that have built up successful trade abroad.

This class of business is similar in its main outlines to domestic business, and for the most part only the special features of difference are referred to here. Mastering the special requirements of export trade has not been found a difficult task by those who have set about it seriously.

Size, large or small, location, inland or at the seaboard, have less to do with the answer to the question "Who can export?" than do the merits of the product, the industrial efficiency, and the merchandising ability and resourcefulness and soundness of the policies and practices of the concerns in question.

The book covers such questions as surveying the export field, establishing an export department, its relation to the plant, its organization, etc.; promoting sales; filling orders, shipping requirements, legal formalities, banking procedure, etc.

Fruitless Detail

NO PHASE of cost accounting has interested industrial executives and their accountants more than that of the treatment of manufacturing overhead. To satisfy this interest countless books and articles have been written on the subject. Not only is this literature voluminous but also it is far reaching in its recommendations and minutely detailed in its descriptions. Where lies, under these conditions, the need for anything further?

However, one letter recently received by the Department of Manufacture of the National Chamber is typical of many that have come in worth quoting:

We are getting so clogged up with theories and details in our cost literature that we are losing the advice and support of many able accountants who really have not had time to engage in discussions of side issues and details. They feel, and rightly, I think, that the cost man's imagination is running away with him and he is accordingly erecting innumerable objections and complications—if's and but's—which really do not exist if he first masters the fundamentals and then applies the details in conformity with them.

The correction of this condition requires, according to the department's correspondents, a concise, logical treatment of the fundamentals of accounting for manufacturing overhead and the department has prepared such a study. This pamphlet, "The Evolution of Overhead Accounting," does not present the theories of the Department of Manufacture but rather is based on the experience of industrial executives and accountants in various lines of industry, in various parts of the country.

Interested in Local Politics

IN THE February issue of NATION'S BUSINESS, Frank Kent pointed out that as a general rule business men are not interested in politics though they affect them vitally. Therefore it was with particular interest that we read what the Iowa City, Iowa, Chamber of Commerce is doing to interest its members and the local community in what its local officials were doing. Of course, the interest must extend further than merely listening to speeches but such attention is the basis for further study of political problems. The Iowa City Chamber bulletin reads as follows:

When Iowa installs a new governor the Capitol City is ablaze of glory, and the pomp and grandeur of the inaugural ceremonies are long remembered. The new officers pledge allegiance to the state, and



*If not made by
Felt & Tarrant
it's not a
Comptometer*

*Only the Comptometer has the
Controlled-key
safeguard*

Demand Proof

THE COMPTOMETER, with a trained operator, will do more figure work at less cost than any other combination.

Even if you have no more than two or three hours of figure work, still the Comptometer, with a trained operator devoting part time to other clerical work, will likewise handle the combined jobs at less cost than any other combination.

To make the combination effective, we maintain over 100 Comptometer Schools from which we supplied last year to employers, without charge, 21,702 trained operators.

Challenge the nearest Comptometer man to prove these claims by actual performance on portions of every day work in your own office. No expense, no obligation. If not in your phone book under Felt & Tarrant, write us direct.

FELT & TARRANT MFG. CO.

1712 N. Paulina Street
CHICAGO

CONTROLLED KEY
Comptometer
REG. TRADE MARK
ADDING AND CALCULATING MACHINE

A Message to Business Men

WHEN you need money to carry on the legitimate development of your business, your local bank helps you. It is their business to lend you money.

But with growth there usually comes a time when you need the advice and co-operation of an investment banker, one who has had experience in underwriting and distributing securities.

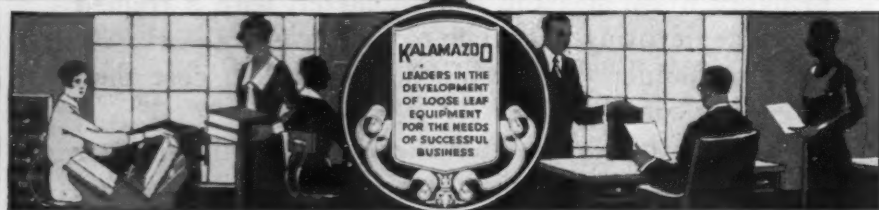
Our services are always at the disposal of executives of well-established and sound American Corporations.

*Address your communications to our
New York Office: 42 BROADWAY*

HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON NEW YORK CHICAGO CLEVELAND
DETROIT PROVIDENCE PORTLAND, ME. PITTSBURGH



**CHOOSE
KALAMAZOO
LOOSE-LEAF-DEVICES-AND
ACCOUNTING-SYSTEMS
NOW-**

and obtain the
better way to make,
use and preserve
your records.

Send for Catalog.

Kalamazoo Loose Leaf Binder Co.

Factories at Kalamazoo, Mich., and Los Angeles, Calif.
Sales Offices in Principal Cities

the thousands who attend pledge loyalty to the new administration.

Is it not just as important to Iowa City and Johnson County that we have honest, capable and loyal local officials as that the same high standard be reflected by the officials of the state? Then are not these city and county officials, who mold our policies, interpret our laws and handle our finances, entitled to the same consideration? Are they not entitled to some kind of recognition and to our loyalty and cooperation?

Coming Business Conventions

(From Information Available April 1)

Date	City	Organization
May		
2	New York	American Importers of Spanish Green Olives.
2-3	Chicago	American Incubator Manufacturers Association.
2-3	Chicago	Incubator Manufacturers Association.
2-4	French Lick Springs	National Association of Printing Ink Makers.
2-5	Hot Springs	American Bankers Association.
3	New York	Music Publishers Protective Association.
3-5	Washington, D. C.	Chamber of Commerce of the United States of America.
3-6	Chicago	Master Boiler Makers Association.
4	New York	National Bureau of Casualty and Surety Underwriters.
4-8	New York	American Booksellers Association.
5-6	Washington, D. C.	American Association of Ice and Refrigeration.
6	New York	Manufacturing Confectioners' Board of Trade.
8-14	Del Monte	Pacific States Paper Trade Association.
Wk. of 8th	Memphis	Southern Hardware Jobbers Association.
9	Philadelphia	Atlantic Coast Shipbuilders' Association.
9-11	St. Louis	Associated Coopersage Industries of America.
9-11	Detroit	Association of National Advertisers, Inc.
9-12	Chicago	National Fire Protection Association.
9-12	Cincinnati	National Gas Association of America.
9-12	Cincinnati	Natural Gas Supply Men, Inc.
10	Boston	New England Railroad Club.
10-11	Chicago	National Restaurant Association.
10-12	Pittsburgh	National Pipe and Supplies Association.
10-12	Lansing	Michigan Retail Dry Goods Association.
10-13	Memphis	American Hardware Manufacturers Association.
11-12	New York	National Association of Manufacturers of Heating and Cooking Appliances.
12-13	Atlanta	National Association of Office Appliance Manufacturers.
12-14	Atlantic City	American Cotton Manufacturers' Association.
12-14	Jackson	American Gear Manufacturers Association.
12-14	Atlantic City	National Association of Cotton Manufacturers.
16-17	Washington, D. C.	American Association of Medical Milk Producers.
17-18	Kansas City, Mo.	Mid-West Retail Coal Association.
17-20	Louisville	American Wholesale Grocers Association.
17-20	Chicago	The Biscuit and Cracker Manufacturers Association.
18	Chicago	National Paper Box Manufacturers Association.
18	New Orleans, La.	Southern Cypress Manufacturers Association.
18-20	West Baden Springs	Millinery Association of America.
19-21	Cleveland	National Safe Deposit Convention.
19-21	Hot Springs, Va.	Refrigerating Machinery Association.
20-21	Erie, Pa.	Advertising Affiliation.
20	New York	American Iron and Steel Institute.
21	Providence, R. I.	National Association of Woolen & Worsted Overseers.
21	Cincinnati	National Association of Foremen.
23	Atlantic City	National Confectioners Association of the United States.
23-25	Atlantic City	American Steel & Heavy Hardware Association.
23-25	St. Louis	Life Insurance Sales Research Bureau.
23-26	Louisville, Ky.	National Leather & Shoe Finders Association.
23-27	Asheville, N. C.	American Pharmaceutical Manufacturers Association.
24-26	Tulsa, Okla.	Association of Natural Gasoline Manufacturers.
24-27	Washington, D. C.	Air Brake Association.
25-27	Detroit	National Foreign Trade Council.
25-27	Chicago	The Society of Industrial Engineers.
25-28	French Lick Springs	Society of Automotive Engineers, Inc.
26	New York	National Board of Fire Underwriters.
26	New Orleans	Rice Millers' Association.
26-27	Philadelphia	American Association of Wholesale Opticians.
26-28	Louisville	Mahogany Association, Inc.
26-28	Cleveland	National Motors Re-Grinders & Re-Builders.



THESE 11 MILLION PEOPLE

of the Pacific Coast region can be

SERVED MOST QUICKLY...MOST ECONOMICALLY

from OAKLAND

OAKLAND's central location enables this city to serve the entire Pacific Coast market of 11 million people more quickly . . . more advantageously than can any other great industrial city.

And Oakland sits on the edge of San Francisco Bay at the very gateway to the rich Oriental and trans-Pacific markets.

This city is the logical site for Pacific Coast factory-branches or warehouses. Why else was it chosen by such industries as General Motors, Durant Motors, General Electric, Shredded Wheat, U. S. Light and Heat Corp., Westinghouse, Hyatt Bearings and numerous other great national industries.

Send for a copy of "Industrial Oakland". Or let us prepare a special technical report for your particular industry. ☺ ☺

Industrial Department, Oakland Chamber of Commerce



This advertisement of Oakland and Alameda County—the West's fastest growing industrial district—is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.



Ask
for it!

OAKLAND [AND ALAMEDA COUNTY] CALIFORNIA

"Industrial Capital of the West"

to Protect Your Business



Warehouse, shop and office of Mark R. Hannä,
Contractor, Detroit, Michigan. 60' x 280' x 20'.

BLAW-KNOX STANDARD BUILDINGS

Lowest Cost Per Year

The uninterrupted continuation of your business depends upon whether or not your buildings are **absolutely firesafe.**

It has been demonstrated that in many instances the savings in insurance alone are great enough to offset, in a few years, the original cost of a Blaw-Knox Standard Steel Building. In all building there is a decided saving in insurance where the Blaw-Knox Firesafe All-Steel Roof supplants wood construction of any character.

For instance, C. H. Braun & Sons of Baltimore, dealers in oils and greases, say—

“—since we have had the Blaw-Knox Building Type B-B erected, our insurance rates have been reduced from \$4.75 per hundred to \$1.00 per hundred, which is quite a saving to us.

We are more than satisfied with the above building.”

The Fairfield Manufacturing Company of Lafayette, Indiana, shows a remarkable insurance saving, and says—

“We are now carrying \$100,000 insurance on our building at a cost of \$1440 per year. We are putting up one of your new buildings and have a promise that the insurance will cost \$60 per year for \$100,000 on building and contents.

We will save \$1380.”

The insurance saving justifies your selection of a Blaw-Knox Standard Building for the structure you plan to build.

Blaw-Knox Standard Buildings are widely used for Machine Shops, Warehouses, Weaving Mills—wherever one-story construction is required. They are weathertight. They are quickly and easily erected, under our supervision, if desired.

BLAW-KNOX COMPANY

632 Farmers Bank Bldg., Pittsburgh, Pa.

New York: 30 E. 42nd St. Detroit: Lincoln Building
Chicago: Peoples Gas Building Buffalo: Genesee Building
Baltimore: Bayard and Warner Sts.
Birmingham: Brown-Marx Building
Cleveland: 516 Union Building
Philadelphia: 604 The Colonial Trust Bldg.



Made of Copper-Bearing Galvanized Steel

When writing to BLAW-KNOX COMPANY please mention Nation's Business

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

PARTICULARLY OPPORTUNE is the publication by the Department of Commerce of a new commercial and industrial handbook on China. The publication

Study of Trade and Industry in China Issued

is the result of the work of Julean Arnold, American commercial attaché at Peking, who has spent

twenty years in China.

In preparing the handbook, Mr. Arnold had the cooperation of all American consular officers in the Chinese Republic, who also contributed sections on their respective consular districts. Special articles on transportation, finance, advertising, and sanitation are included in the volume. There is also a section that deals with the incorporation of American firms in China under the China Trade Act.

“Americans are especially interested in China,” according to the foreword in the handbook, “not only because of the friendly relations that have uniformly existed between the two peoples from their earliest contact but because their commercial intercourse during the last decade has developed almost unprecedentedly and the future seems to promise an even greater measure of economic relations between them. China, next to Japan, is our best Asiatic customer and one of our foremost sources of those raw materials which we have been unable to produce ourselves such as raw silk, tea, and wood oil.”

THE AERONAUTICS BRANCH of the Department of Commerce has recently issued a Trade Directory. Part I lists dealers in airplane commodities, such

Air Regulation Division Issues Trade Directory

as accessories, camera and photographic supplies, clothing, engine manufacturers, metals, ignition equipment, parachutes, sirens, etc. The list is only tentative and additions are invited. Part II deals with aeronautical activities such as aerial advertising, consulting engineers, dusting, instruction, insurance, mapping and survey, service and repair, and other types of dealers.

Another of this branch's publications is on the inspection service, listing inspecting physicians and dealing with other inspection matters for licensing of pilots.

The Bureau of Standards is experimenting with various radio equipment for aeroplanes. The Bureau has two aeroplanes on which the tests are being conducted.

“If YOU CANNOT APPLY simplification to things you sell, then apply it to things you buy. Don't buy 15 varieties of bolts if by

study you can make 1 kind of bolt satisfy the 15 uses.” The hotel manager who made this statement reduced his

cost of items simplified 20 per cent below their former cost, released \$350,000 from former inventories and saved \$100,000 a year, according to the Division of Simplified Practice, adding:

Many companies have just completed their annual inventories. Now is a good time to study the possibilities for their reduction through simplification. The sav-

ings through release of otherwise idle inventory investment are usually great enough to make such study very profitable. The ideal situation exists when all the inventory is in process or in transit—in other words, "on the move." Simplification affords an easy approach to this ideal, for it is based on the elimination of excessive or superfluous variety—the chief source of idle investment and heavy costs of inventory maintenance.

The Division is conducting many activities among which are the work on metal spools and reels, different parts of automobiles, end-matching of softwood lumber, wood distillation, containers, and flashlights.

A Primer of Simplified Practice has been issued by the Division. The publication has been issued to answer the increasing demands for information about the work, what it proposes and what it has done. Copies of the primer will be sent to those interested upon application.

THOUGH BRICK MASONRY is one of the oldest recorded types of construction, there have been practically no data upon which to erect standards. This lack of

Brick Masonry Tested to Set Up Standards

fundamental knowledge is probably largely responsible for the present unsatisfactory state of specification writing as applied to brick and the wide variation in building code requirements concerning brick masonry.

To remedy this lack the Bureau of Standards, in cooperation with the Common Brick Manufacturers Association of America, last year conducted a series of tests on brick masonry. The report may be divided into two parts. The first part consists of an investigation of individual bricks. The bricks were of four types of commercial production and are believed to be typical. Already the information gained from the results of these tests has been used in standardization work.

The second part of the report consists of investigation into construction and test of walls. The program consisted of tests on 153 walls divided into four series. The variables consisted of two types of workmanship, four kinds of clay brick, three kinds of mortar, and different types of construction covering the 8- and 12-inch solid walls and the various 8- and 12-inch hollow walls.

The investigation is not as yet complete, but some of the most obvious and general conclusions are available in Bureau of Standards, Technical Bulletin 118.

THERE WILL soon be published by the Bureau of Standards a new compilation of laws of all the states, territories, insular possessions, and of the Federal

Compilation of Laws on Weights And Measures

United States in regard to weights and measures. This publication should be very useful to manufacturers and shippers of package goods in interstate commerce, manufacturers of weights and measures apparatus, weights and measures officials and others concerned with law enforcement, weighing and inspection bureaus, railroad and other officials concerned with weights and measures, lawyers, and reference libraries, etc.

It is estimated that the finished work will contain 1,000 pages or more and will be sold by the Government Printing Office at the usual nominal charge for government publications, which is intended to cover only the actual cost of paper, presswork, and binding.

It is proposed to print only one edition, limited to meet the immediate demands, and those desiring to obtain a copy should make their wants known at once. Please do so by writing to the Bureau of Standards, Division

To officers of corporations

The Equitable acts in the following corporate trust capacities:

1. As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.

2. As transfer agent and registrar of stock. (*In the transfer of even a single share of stock there are thirty-five separate steps. Each one of them is vital to a proper transfer; if a single error is made confusion, loss of time and expense will result.*)

3. As depositary under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.

4. As agent and depositary for voting trustees.

5. As assignee or receiver for corporations under action for the protection of creditors.

6. As fiscal agent for the payment of bonds, and coupons of states, municipalities and corporations.

Without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



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By appointing The Equitable transfer agent you assure yourself of the proper execution of this phase of your business, and effect a real economy in office overhead. Read the column at the left . . . then send for our booklet, *The Equitable Trust Company of New York, Transfer Agent.*

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Total resources more than \$475,000,000

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Lands of Charm Across the Pacific

The old world of the Orient is a new world of adventure for you. Go now to these ancient and fascinating lands of the Far East.

You may visit Honolulu, Yokohama, Kobe, Shanghai, Hong Kong and Manila. Or go direct to Japan from Seattle.

Plan to make the complete trip. Visit all of these interesting ports and countries. No other lands in the world offer the traveler so much of adventure and romance.

Japan is a miracle of scenic loveliness and modern progressiveness. Great cities, snow-clad mountains, terraced gardens, a joyous people.

China, most ancient in civilization, is a storehouse of treasure. See the quaint river life—junks, sampans, bumboats swarming beneath your steamer's bow.

Manila at the crossroads of the Pacific, a cosmopolitan city; Baguio, tropical mountain resort, a short day's journey distant.

Great President Liners take you in perfect comfort. Pleasant public rooms. Spacious decks. Airy staterooms. A cuisine approved by the most critical of world travelers. Liberal stopovers at any port. Tickets interchangeable between the two lines.

An American Mail Liner sails every fourteen days from Seattle for Japan, China and Manila.

There is a Dollar Liner sailing every week from Los Angeles and San Francisco for the Orient [via Honolulu] and Round the World. Fortnightly sailings from Boston and New York for the Orient via Havana, Panama and California.

And fortnightly sailings from Naples, Genoa and Marseilles for Boston and New York.

For complete information communicate with any ticket or tourist agent or

American Mail Line

Admiral Oriental Line

Dollar Steamship Line

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604 Fifth Ave. New York
25 Broadway New York
177 State Street Boston, Mass.
Robert Dollar Building San Francisco, Calif.

112 West Adams Street Chicago, Ill.
101 Bourse Bldg. Philadelphia, Pa.
514 West Sixth St. Los Angeles, Calif.
Dime Bank Building Detroit, Mich.
1519 Railroad Ave., So. Seattle, Wash.

of Weights and Measures, Washington, D. C. You will be notified when the book will be ready and the price at which it may be had. Every effort will be made to supply all persons making such requests.

DURING THE LAST FEW YEARS the protein content of wheat has become increasingly important in determining the price paid for any particular grade. To determine how close different laboratories should be able to report results of protein tests on the same sample of wheat, the methods and technique used in making protein tests were studied in mill laboratories, commercial protein-testing laboratories, and grain inspection department laboratories in the central north-west and southwest. The results of this survey form a part of a bulletin entitled "Testing Wheat for Protein with a Recommended Method for Making the Test," as well as the report of an exhaustive laboratory study relating to the value of many outstanding methods and technique used by different protein-testing laboratories.

Testing Wheat To Find Its Protein Content

A standard method for making protein tests is described. Recommendations are given for eliminating sources of error, so that concordant results between different laboratories can be obtained. Additional copies of Department of Agriculture Bulletin 1460 may be had from the Government Printing Office at a cost of five cents a copy.

RETAIL STORE PROBLEMS is the title of a new publication of the Domestic Commerce Division of the Bureau of Foreign and Domestic Commerce. Eight different subjects are discussed. This information is based on interviews with store executives, on trade contacts, and on questionnaires sent to stores of all kinds and sizes. Previous editions of 160,000 copies of the separate studies have been exhausted. The publication is an opportunity to get these eight studies combined into one book.

Factors in Successful Retailing

The eight studies include: measuring a retail market, store location, store planning, budgetary control in retail store management, education of a sales force, cooperative retail advertising, department leasing in retail stores, and vehicular traffic congestion and retail business.

Copies of this publication, Retail Store Problems, Domestic Commerce Series No. 9, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for twenty cents a copy.

OCCASIONAL cottonseed dust explosions have been regarded as unavoidable accidents up to the present. This was due to the fact that they were largely local, expending their force in the vicinity of the machine where they initially occurred. But

Cottonseed Dust Explosions to Be Investigated

last year, after the large cold-press cottonseed-oil mill at Memphis, Tenn., was destroyed with property damage of over a quarter of a million dollars and a human loss of 1 killed and 12 injured, the cottonseed mills became interested in the Department of Agriculture's work on the prevention of dust explosions and fires. As a result the Bureau of Chemistry sent W. A. Noel to the main industrial points of the south for investigations, conferences and meetings on the subject of dust explosions.

The National Chamber arranged his itinerary, and the officers of the Cottonseed Crushers' Association in each state cooperated to secure the most benefits from the trip.

The Handbook of Illustrated Letters

The Elbow Companion
for Men Who Plan
Direct Mail Matter and
Dealer Help Material

Facts Taken from a Study
of Over
300 Letter Campaigns
Are Condensed
Into 32 Pages

HAVE you ever checked the pulling power of illustrated letters as compared with the usual sales letter? One mail-order test on 100,000 names revealed 11% increased replies in favor of the illustrated letter. Another advertiser gets 20% greater returns.

Whether you now use illustrated letters or not, you will be interested in the Handbook which we will send without cost to men who buy, plan, write, or produce printed matter.

The Handbook shows the kind of letters used by Herbert D. Shivers to sell millions of cigars by mail. It reproduces the text of a letter used by the New Process Company of Warren, Pa., who sold over a million dollars' worth of traveling bags.

It describes the kind of letters that enable Frank E. Davis of

Gloucester to sell a million dollars' worth of fish a year by mail.

You read about one publishing house that has sold 50,000,000 books without a personal salesman. You see how the makers of Fuller Brushes, Purina Chows, make use of illustrated letters in agent and dealer help work.

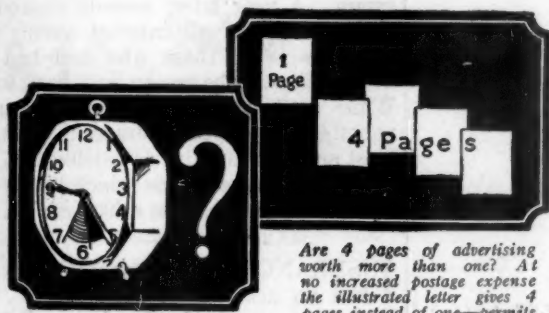
The Handbook tells how illustrated letters are used—the twelve jobs they do best—and their advantages. Specimens of many of the letters referred to will be found tucked in the handy pocket in the front cover, and a few dummies for layout purposes are in the back.

If interested in making letters pay better for direct mail or dealer help work, the Handbook, which we will send *free of cost*, should be constantly at your elbow.

STANDARD PAPER MFG. CO.

Richmond, Virginia

Makers of Two-Text Illustrated Letter Paper



The Illustrated 4-page letter gives the same message as the single sheet letter plus 5 to 10 minutes' elaboration of the idea—a 10 minute interview instead of a 2-minute one.

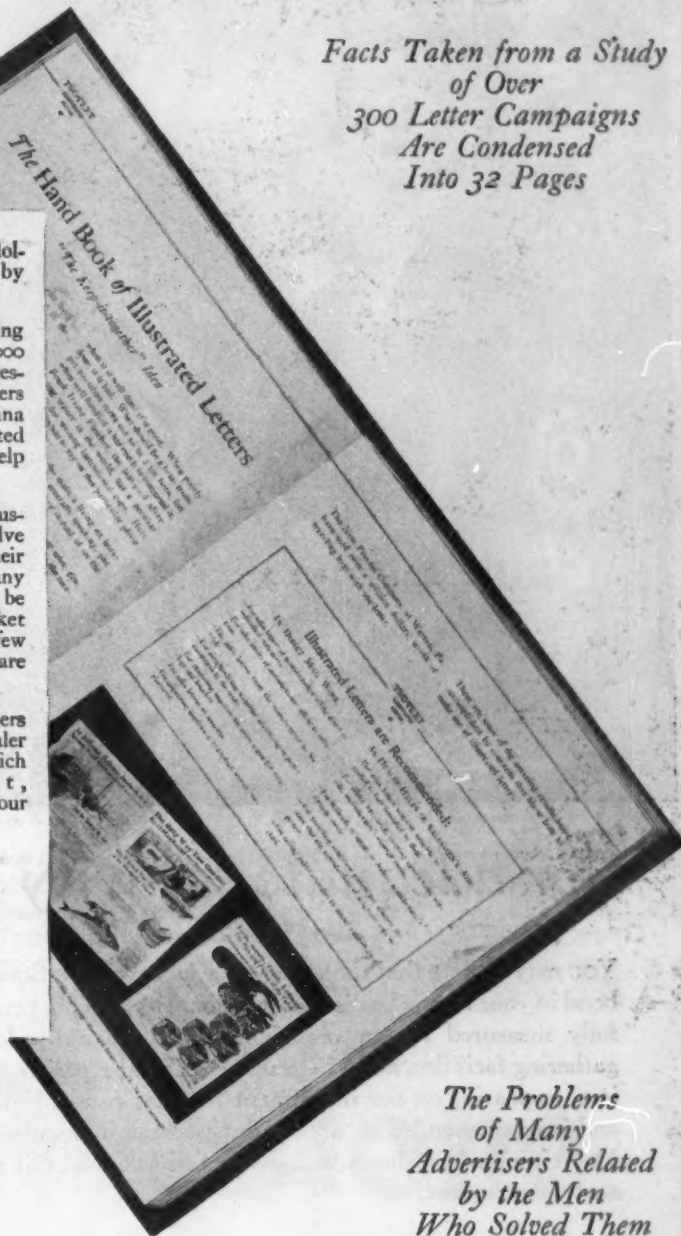
Are 4 pages of advertising worth more than one? At no increased postage expense the illustrated letter gives 4 pages instead of one—permits showing the product and its uses in colors.

TWO-TEXT

for the
ILLUSTRATED
side-a coated paper-for the
LETTER
side-a bond
paper



When writing to STANDARD PAPER MFG. Co, please mention Nation's Business



The Problems
of Many
Advertisers Related
by the Men
Who Solved Them

14 Advantages of Illustrated Letters

The illustrated letter on Two-Text gives the direct advertiser these advantages:

- Carries letters and complete information for 1½¢ or 2¢.
- Shows product in colors.
- Permits the selling of several articles in one letter.
- Lays entire information before prospect for ready action or reference.
- First page of letter can be shorter.
- Permits showing many uses for the article or many styles.
- Enables follow-up letters to continue the selling job without seeming unduly long.
- Permits pictures of installations or testimonials to be used.
- Localized pictures or testimonials if desired.
- Allows the letter accompanying the catalog to call attention to specials which can be pictured in colors even though the catalog is limited to one color.
- Makes letters to old customers picture advantages of what they have bought—keeps them sold—pictures new styles—models or other desirable purchases.
- Permits class distinctions as to locality—seasons, uses, etc., impossible in the big catalog.
- Provides an unfailingly good sales letter on the inside regardless of ability or mood of the correspondent with the first page available for personalizing the message.
- Pulls for a longer period of time than other letters.
- Gives from 15% to 33% more returns from the same skill in letter-writing and the same postage expense.



—for adequate security



You may be sure that the security back of every National City bond in your strong box is a known quantity, having been carefully measured by an organization with world-wide fact-gathering facilities, and 115 years of financial experience. Each issue appearing on our investment lists has passed rigid tests and is recommended as a good investment in its class. Our May circular furnishes a well diversified selection—it will be sent upon request.

The National City Company

National City Bank Building, New York

OFFICES IN 50 AMERICAN CITIES • INTERCONNECTED BY 11,000 MILES OF PRIVATE WIRES • INTERNATIONAL BRANCHES AND CONNECTIONS

By having the latest improved devices we can save you 25% on your MULTIGRAPHING.

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DELIVERED—F.O.B. NEW YORK

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TIMELY

"NATION'S BUSINESS gives the business man what he badly needs, the best current thought, the best forward look on all business problems," says Ernest T. Trigg, President of John Lucas and Company, Philadelphia. "I read it more religiously than any other magazine."

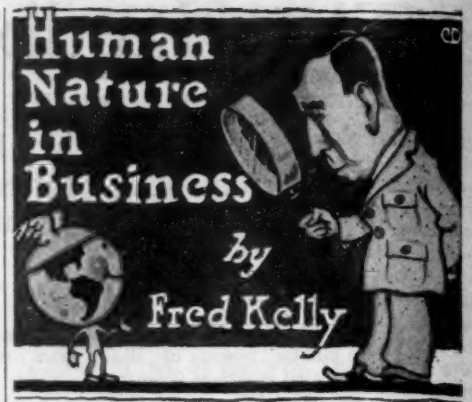
When You Want Figures

in a hurry—not hurried figures—send your inventory and other emergency computations to a skilled organization of public calculators. 48-hour accurate service.

ATLAS CALCULATING SERVICE

19 W. Jackson Boul.

Chicago, Ill.



MANAGERS of big industrial plants are discovering that accidents are contagious and, still more important, that the spread of accidents may be checked by getting rid of the source of contagion. Accidents do not happen to old men of faltering steps so much as to young men who are sure of themselves and take unnecessary chances. The most daring fellow in an industrial group sets the pace for others. They think that whatever he does they can do. It's just as if a man driving a motor car on a busy highway persists in going faster than is safe, and luring others to do likewise. By getting rid of a daredevil in a factory, nine-tenths of the accidents have been eliminated.

FACTORY managers also find that those who have accidents are likely to keep on having them. In one factory the personnel director made a careful tabulation of the number of accidents each employee recalled covering his whole life. Those who had suffered one or more accidents were listed in one group, while those who had never met with any accidents made up another group. A year later, records showed that three-fourths of all injuries among those employees befell those who had had accidents before. The reason isn't hard to find. While some mishaps are entirely unpreventable, when you average the thing up most accidents are due to carelessness. The same inborn carelessness which leads to one injury is likely to cause others.

INSURANCE men often say: "Haven't had an accident in fifteen years, hey! Then you're probably due for one."

But such a conclusion is illogical, in the



light of facts. When a man goes fifteen years without a serious mishap he has proved his ability to exercise care and avoid accidents.

ONE OF the luxuries of being a millionaire is that you can afford to take less income but be sure of it and also sure of the amount of it. For that reason, it appears that as a man grows more pros-

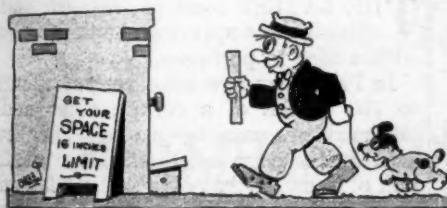
perous he is more inclined to invest his money in bonds rather than in stocks. He may have made his money out of common stocks in the first place, but has grown tired of not knowing what he is worth until he sees the stock quotations in the morning paper. Recent compilations by a nationally famous statistician show that only 7 per cent of the stock of corporations in this country is owned by millionaires—who number about 11,000—while people having average incomes of less than \$12,500 own 50 per cent of corporation stocks.

DOCTORS are rarely permitted to have offices in large buildings except in those primarily intended for doctors' and dentists' offices. I asked a building manager if this is because of the medicinal odor that dominates a building when doctors infest it.

"No," he said, "it is because of the appearance of people in the elevators. Poor sufferers with bandaged faces and arms in slings are depressing sights for others in the elevators."

INSURANCE records show that use of poison for suicidal purposes has fallen off. This is said to be partly due to increased difficulty of buying poison. But another reason is that poisoning one's self has gone out of fashion. This is the only method of self-killing that has shown a percentage of decrease.

IN LONDON they are fussing about whether 16 inches is enough allowance for average width of passengers in street car seats. Which reminds me of Bill Du-



Puy's famous essay in favor of shooting our fat men, because, he said, they are criminals using up more than their share of both food and space.

MY FRIEND, C. C. Daily of Elyria, Ohio, who sells chemicals to rubber manufacturers, tells me of a raincoat maker who remarked:

"During May and June last year we had abnormally high rainfall, but only 5 per cent of it fell during profitable hours."

Then the raincoat man went on to explain:

"If it's raining in the morning when you leave home, you wear your old clothes and carry an umbrella.

"If it rains between 7:30 and 9 you may stop in a store on your way from the train to your office and buy a coat. But probably your time margin is scant and you just hurry along without stopping.

"Rain from 9 to 5 catches a few shoppers down town, but they probably wait under cover till it slackens up.

"But rain from 4 to 6 catches folks near a store and with time to buy a coat. Then



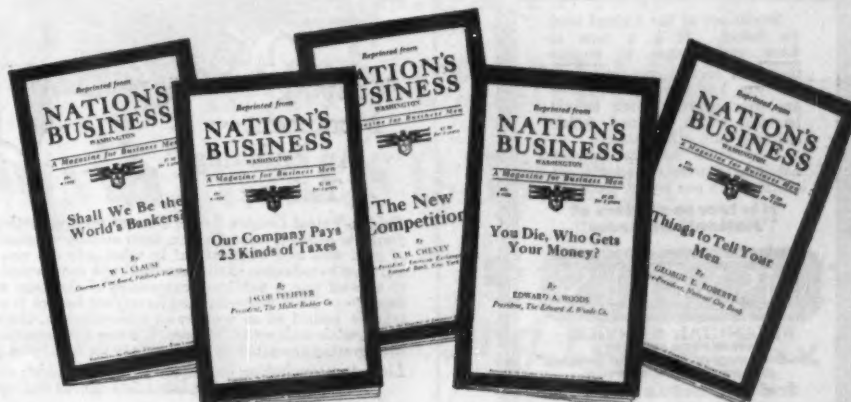
Non-Skid Hi-Type Cool Running on Long Hauls

The special rubber compound keeps cool. The scientific tread design, with deep grooves, affords plenty of "ventilation" for the long haul. This is a big factor in the long mileage of Non-Skid Hi-Type Tires. Transfer and highway transport companies are among the largest users of these tires. Ask your local Firestone Service Dealer for performance records established by this wonderful Truck Tire.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *Harvey Firestone*



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NATION'S BUSINESS, Washington, D. C.

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NORTH AMERICA Parcel Post Insurance is the safe, economical and convenient method of insuring packages sent through the mails. A book of coupons equips you to insure each package as it is wrapped—and assures satisfactory adjustment, without red tape or delay, if package is stolen, damaged or destroyed in transit.

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the North America way

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Insurance Company"

Founded 1792

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Name

Street

City State

Wants information on Parcel Post Insurance

Your Investments O.K.?

Stocks are at the highest level on record. It is a time to know rather than to assume that your investments are sound. Do you know which securities are over-valued, which should be sold, which retained, which switched into other stocks?

Four rules for the present handling of investment funds are contained in our recent Bulletin.

It is free to readers of
"Nation's Business"

MCNEEL'S

FINANCIAL SERVICE

B. W. MCNEEL, DIRECTOR

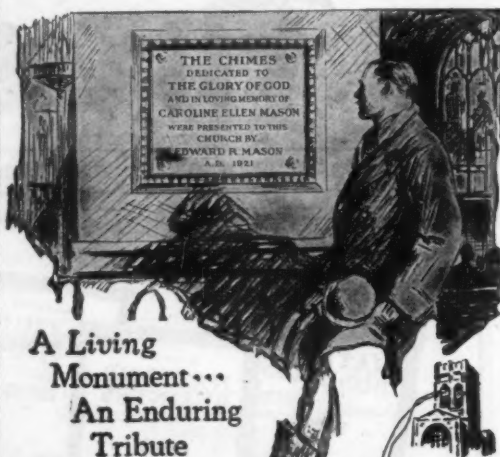
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Golden-Voiced Deagan Tower Chimes, sending forth each day, from the belfry of your Church, their sweet musical message of good will and inspiration! In what way can you provide a greater beneficence to the community—a more stately tribute to a loved one, a sublimer expression of the true memorial spirit? ... That posterity may have before it an imperishable record of so worthy an endowment, there is provided with each set of Deagan Chimes a bronze tablet commemorating the gift and setting forth its hallowed purpose. Literature, including beautiful memorial booklet, on request. Standard Sets, \$6,000 and up.



J.C. Deagan Inc.

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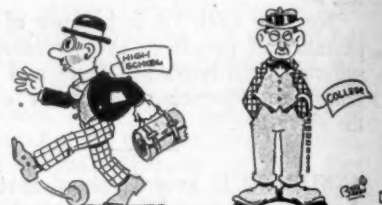
Deagan Chimes played by organist from electric keyboard.

business in the raincoat trade booms. This is the profit-making hour.

"Rain in the evening either keeps you home or makes you call a taxi.

"If it rains after 3 o'clock today—we are waiting for the telephone to ring. The stores will want ten dozen or twenty dozen 'rush' tomorrow. But for the last six weeks it has rained only at night and we do small business."

A. E. CROCKETT, manager of educational work for the Jones and Laughlin Steel Corporation, believes that young business men who have been only through high school are more observant, on the average, than those who have been graduated from college. He has found seeming proof of this in written tests following a demonstration of various steel-



making processes. High school men, on the whole, remember more of what they saw than do college men.

Possibly the reason is that salesmen with only high school education feel as if they must be more alert and strive harder not to miss anything if they are to keep up with those who had the benefits of college training. But college men perhaps regard themselves as finished products.

THE LATEST form of snobbish appeal in business is applying the limited book edition idea to perfumes.

In Paris they now have perfumes limited to 100 bottles of a certain scent and a fashionable woman by paying a few hundred francs extra may have the satisfaction of knowing that only a select few may smell as she does.

I WONDER if we aren't on the eve of a business revolution by use of bright colors. Not long ago a manufacturer of fountain pens suddenly departed from black and introduced a line of pens in giddier hues. Since then every competitor has had



to adopt bright colors or lose business. Look into the show window of almost any kind of store and note the wide range of articles in brighter colors than ever before.

A FAMOUS authority on use of color in business recently told me that application of color to automobiles, both inside and out, has scarcely started. Plain black cars, he says, will soon be extinct.

MAY 25 1927

NATION'S BUSINESS

*Extra
Edition*



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University of Michigan,
Ann Arbor, Mich.

May 20
1927

The New Era in Business

As discussed by

PRESIDENT COOLIDGE

HALEY FISKE

THOMAS W. LAMONT

JOHN S. LAWRENCE

GEORGE H. BALDWIN

JOHN W. O'LEARY

ROY D. CHAPIN

SILAS H. STRAWN

HARRY CHANDLER

WILLIS H. BOOTH

*& at the Fifteenth Annual Meeting of the
Chamber of Commerce of the United States*

Published at Washington by the Chamber of Commerce of the United States

THIS ISSUE MORE THAN 250,000 CIRCULATION



Reproduction from a painting made on the estate of Mr. William A. Rockefeller, Greenwich, Connecticut, by Frank Swift Chase

© The D. T. E. Co., Inc., 1926

Among prominent persons and institutions served by the Davey Tree Surgeons are the following:

AUGUSTUS A. BUSCH
MCGILL UNIVERSITY
SAMUEL INSULL
GENERAL ELECTRIC COMPANY
ALFRED P. SLOAN, Jr.
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JOHN DAVEY
Father of Tree Surgery
Reg. U. S. Pat. Off.

To whom will you entrust your priceless trees?

Davey Tree Service—reliable, proved, safe—can be had only from the Davey Company, whose experts live and work in your vicinity

Your trees are living things. They will usually respond to intelligent, skillful care, but they can't be patched like a brick wall or treated by careless, untrained hands—if you want to save them.

While occasional trees are nearly perfect, most trees require some care in varying degrees. The majority probably need only limited treatment to prevent more serious troubles later—like teeth. Some are in advanced states of decay or decline. If a tree is worth saving, it is worth reliable expert service.

Every Davey Tree Expert is Davey trained—is trained before he is allowed to work on your priceless trees. Men who are dishonest or lazy or careless are eliminated from the Davey organization as quickly as they are found, nearly all of them in the training school. The result is that only the right kind of men are left, and all of them

are thoroughly trained by Davey experts who know Tree Surgery values and the most advanced methods of practice and the fine professional ethics.

These trained, reliable Davey Tree Experts live and work in your vicinity. They are easily and quickly available to you. No car fare is charged and you pay only for actual working time at reasonable rates, plus the necessary materials and the cost of delivering them.

You can afford Davey Tree Expert Service. Eighty-four per cent of Davey clients in 1926 paid less than \$200.00 each. The total volume of business last year was \$2,000,000, but the bulk of this was made up of small operations for people of moderate means who appreciate their trees as living things and priceless possessions. Above everything, get reliability. Davey Tree Experts will save your trees without guessing or experiment. Write or wire nearest office.

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DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.



What Went on at the Annual Meeting

Observing its custom, NATION'S BUSINESS devotes an extra issue to an account of the Annual Meeting of the Chamber of Commerce of the United States. The Fifteenth Annual Meeting was held at Washington, May 2, 3, 4, 5. The dominant note of its deliberations was

The New Era in Business

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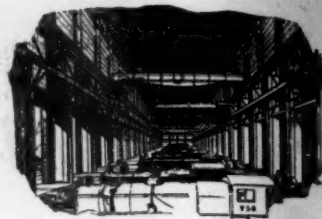
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A Message to



AMERICAN BUSINESS

AS the representatives of American Business convene for the Annual Meeting of the Chamber of Commerce of the United States, the Austin organization cannot but take pride in the fact that so many of these great names are numbered among its clients.

As American business has grown in calibre and breadth, Austin has grown, and has been helpful to an ever increasing clientele.

Insofar as building conditions are a barometer of business, it may be of interest to know that Austin has under contract a larger volume this year than in any preceding year.

Railroads and industrials alike are carrying forward new building programs with confidence.

In your business, a new building project may be contemplated, immediately or in the near future. Please accept the suggestion that it will be worth your personal attention to see that the matter is discussed with Austin. It will be to your advantage to do this before any plans are drawn. Austin's experience is often of very great value in the preliminary laying out of the proposition, as well as in the actual engineering and construction.



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AUSTIN

Complete Building Service



Ushering In the New Era

By WARREN BISHOP

BRING together 2,500 business men and assign to them any topic of discussion that you like, and the result will be talk on every subject that affects business.

That was strikingly shown at the Fifteenth Annual Meeting of the United States Chamber of Commerce, held in Washington, May 3, 4 and 5. The subject was "The New Era in Business"; but the speeches and discussions that aroused the most comment were largely international; they dealt with what might be called the diplomacy of business. Perhaps the reason is that the "new era in business" is international, and the meeting, consciously or unconsciously, took notice of that condition.

THINGS that gave an international flavor to the meeting were the address of President Coolidge at the joint meeting of the Chamber and the Pan American Business meeting; the talks of Thomas W. Lamont and Roy Chapin to the International Chamber; the complaint of Victor M. Cutter, president of the United Fruit Company, of our "butterfly diplomats."

Wide attention was attracted by the speech of Mr. Lamont, a partner in the firm of J. P. Morgan & Company. He urged a more careful consideration of our loans abroad, gave this picturesque description of what is going on:

"It is a tempting thing for certain of the European governments to find a horde of American bankers sitting on their doorsteps offering them money."

MR. LAMONT foresaw also a lessening in the demand for money from abroad as the European countries slowly improve their positions. He saw an increasing competition from abroad but not an unhealthful one. As he put it:

"Competition from the world across the sea, well ordered and at peace, is competition that America can well afford to welcome rather than fear."

The international flavor of the meeting was greatly added to by the presence in Washington of the Third Pan American Commercial Conference. The most colorful event of the meeting was the general session on Tuesday night with the Conference. President Coolidge made the chief address of the evening, and his talk was preceded by the raising of the flags of the countries represented while the audience stood and the Marine Band played the national air of the country whose flag was being raised.

THE PAN AMERICAN group was linked with the Chamber in other ways. Lewis E. Pierson, who on Thursday became president of the National Chamber, was the chairman of the Conference; and it was John H. Fahey, a former president, who took up the cudgels for this country when a South American delegate opened an attack on American tariffs.

Moreover, the speech of Secretary Hoover to the Conference, urging against loans to foreign governments for unpro-

ductive purposes, was linked by many with the address of Mr. Lamont on foreign loans.

THE speaker of the general meeting who devoted himself most closely to the subject of the new era in business was Haley Fiske, 75-year-old president of the Metropolitan Life, active as many men younger by ten years or more.

Mr. Fiske saw a raising of the standards and the ethics of business in the relations of business to each other, to the public and to the employees. In all three it is cooperation which is bringing about results.

Mr. Fiske's most interesting illustration of the new friendliness in business, the "era of good feeling" in industry, was in the help which his company is extending to a new insurance company formed by union labor men in Washington "to do Old Line life insurance on scientific principles with adequate reserves and ample capital."

TWO of the general meetings were planned on entirely novel and apparently successful lines. One, on Wednesday morning, was devoted to a geographical survey of the country—a recognition, in a way, of the vastness of this industrial empire of ours. From New England came John S. Lawrence, textile man and head of the New England Council; from the South came George H. Baldwin, president of Commodore Point Terminal Company, Jacksonville; from the Middle West came Silas H. Strawn, lawyer, merchant and diplomat; from the Pacific Coast was heard Harry Chandler, publisher and capitalist—all to tell what at the moment was disturbing business in their section and what they thought of the outlook.

On Thursday morning the last general meeting of the Chamber was devoted to the nine men who presided over the group meetings of Tuesday and Wednesday. Each spoke briefly for his own section of American business, telling what had developed at his meeting and what he saw on the horizon for his industry.

THE ANNUAL dinner, held on Wednesday evening, brought out more than a thousand attendants. The chief features were the introduction of distinguished business men who were present, and the address of Alfred Pearce Dennis, of the United States Tariff Commission.

Mr. Dennis made somewhat the same point as did Mr. Lamont in his address before the International, that no nation can live by itself alone, and that we have less to fear from a successful and prosperous Europe than from a depressed Europe. Here are two pertinent paragraphs spoken by Mr. Dennis:

"If the war has taught us anything, it has lessoned us in the economic solidarity of the world. We have learned that no man liveth to himself nor dieth to himself. What is true of individuals is true of nations. When the British Government released its accumulated war stocks of wool in 1921, the market collapsed, and there was not a shepherd

on the lonely plains of Australia or the slopes of Judea who did not feel the pinch of hard times. When the Russians withdrew from the Paris perfumery market, rose gardens in the secluded valleys of the mountains of Bulgaria, which had been producing attar of rose for fifty years, were left untended.

"We have learned that trade, whether national or international, is based upon the exchange of the peculiar products of the industry and genius of one man for the fruits of another man's industry and genius.

"Both may profit by the exchange. Before the war we regarded the British as our principal trade rivals. We are coming to regard them as customers rather than rivals. As international traders we have more to gain from Britain prosperous than from Britain depressed."

YEARLY the group meetings grow in interest and importance. This year there was an attendance of about 1,850 at the nine groups. That is an average of more than 200, and for the most part the interest was sustained and the discussion following the set speeches was lively.

The Civic Development Department added a bit of controversy to its meeting by a debate between Henry H. Curran, once a candidate for Mayor of New York, and Harvey W. Corbett, New York architect, on height of buildings. Major Curran contended that building heights should be still further limited, while Mr. Corbett

stuck out for the skyscraper as needful and beautiful.

Perhaps the most dramatic incident came at the transportation meeting. Philip H. Gadsden in his address had protested against the apparent intention of the Shipping Board to build more ships and to perpetuate government ownership. This brought Chairman O'Connor, of the Board, to his feet with a denial that the Board purposed to do what Mr. Gadsden had charged.

Very adroitly Julius H. Barnes thereupon proposed a resolution which modified one already proposed and which by accepting Mr. O'Connor's statement put him upon record as opposed to such a widening of the Board's activities.

The Foreign Commerce Department luncheon took on a Latin American, rather than a European, flavor. The delegates to the Pan American meeting were among the guests, and some of the speeches were in Spanish.

A note was sounded at the Manufacture Department meeting that may, perhaps, give the best answer after all to what is the new era of business:

"A fall in prices has brought about a rise in real wages, accompanied by a high level of profits."

THE ANNUAL MEETING decided on one notable change in the administration of the Chamber: no resident vice-president was chosen; but, instead, the Board was authorized to appoint a chairman; and

Judge Edwin B. Parker was chosen for the post. The chairman is to assist the president in carrying out the policies of the Chamber and in the operation of the Chamber's departments and employees.

The new president is Lewis E. Pierson, who has been active in the Chamber since he was first chosen a director in 1917. He has been recently Eastern vice-president and chairman of the Executive Committee.

NEW members of the Board of Directors are: J. P. Burrus, president, Burrus Mill and Elevator Co., Dallas, Texas; William Candler, Atlanta-Biltmore Hotel, Atlanta; Robert P. Lamont, president, American Steel Foundries, Chicago; Edward P. Peck, vice-president, Omaha Elevator Co., Omaha; William Pfaff, Searcy and Pfaff, Ltd., New Orleans; Fred W. Sargent, president, Chicago and Northwestern Railway, Chicago; Matthew S. Sloan, president, Brooklyn Edison Company, Brooklyn.

Those who are leaving the Board, by resignation or by expiration of term of office, are: Louis Lipsitz, John W. Arrington, Max W. Babb, Frank Kell, James P. Orr, Carl R. Gray, Milton E. Marcuse.

JOHN W. O'LEARY had one welcome announcement to make as he surrendered the office of president after serving two years.

In his address at the annual dinner, he told the delegates that the debt on the new Chamber building had been paid off.

Sidelights on the Annual Meeting

HAVING stretched conventions at the end of the day with dinners and evening meetings, the suffering business man is now expected to take in a breakfast or two and either "hold a conference," "establish contacts," or listen to a few more speeches. One of the most distinguished of the Chamber's executives was wandering disconsolately through the corridors of the Mayflower Hotel looking for three breakfasts which he was supposed to attend one morning.

One breakfast with speeches seems enough, but think of three! There ought to be a law!

The Chamber's annual meeting brings to Washington a group of fresh straw hats, worn chiefly by the southern delegates. Gay bands helped to make picturesque the courtyard of the Chamber building.

Incidentally, the courtyard was a most popular place. The weather was fine, and the loud speakers permitted those who sat and sunned themselves to hear as much or as little of the speeches as they wished. When everyone has a radio, will conventions be held that way?

Will each member of the Association of Knit Woolen Loving Cup Makers tune in on Station ABCD at exactly 9:30 a. m. on June 32 and listen to addresses on cost accounting, the possibility of selling loving

cups in Siam; mail in his approval of the resolutions on a post card, and then call it a good convention?

The food problem of a convention is no small one. The menus for ten luncheons, two breakfasts and four dinners all had to be submitted and approved. The departmental luncheons ran rather to veal, whether "cutlet" or "cotelette" depending on the hotel patronized. Only two of the departments ran to fish. Pie was a luncheon favorite—apple, cherry and Boston cream all appearing.

SIDESHOWS:

Giant baked potatoes at the annual dinner given by the Chamber of Commerce of Twin Falls, Idaho.

Baby alligators brought by a Florida delegation and kept in a box in the courtyard.

Moving pictures of Will Rogers, at some of the meetings, and of the convention itself, at the annual dinner, thanks to the Pathe Exchange.

The smartly dressed delegate who wore a brown derby with a bit of a red feather in it, and who gave 142 other delegates a chance to make a remark about "the man in the brown derby."

Canvassing for election to the board of directors was more picturesque than ever. One candidate had pretty girls distributing flowers and souvenir ash trays. He wasn't elected. Another candidate was accompanied by a sort of flying squadron of personal propagandists.

At the meeting every state was represented, but there was no delegate registered from one state, which sounds contradictory. A Wyoming organization was represented by a delegate living nearer Washington, but there was no delegate registered from Wyoming. Twelve organizations from foreign countries were represented, of which Brazil had two, and the Argentine, Belgium, Cuba, China, France, Germany, Italy, Mexico, Spain and Turkey the rest. In all, 695 organizations were represented, a record for recent years.

It was the biggest meeting the Chamber has held for several years. To measure its "worth-while-ness" is difficult. Go to any such gathering—and I have been at many—and always there stand here and there little groups who ask the eternal question: "What good is the darn thing?" and the old answer stands:

"Men who bring something to such a meeting take a little more than they bring."

The Real Progress of American Trade

By CALVIN COOLIDGE

THE Pan American movement rests on the principle of mutual helpfulness. This idea had its inception at the first meeting of American Republics in 1826, but did not reach its full development until the conference held in Washington in 1889, which organized the Bureau of American Republics, now known as the Pan American Union. Since this time many international conferences of American States have been held to consider scientific, sanitary, Red Cross, postal, journalistic, radio, standardization, highways, and other questions. These gatherings, representing the great body of unattached republics of the Western Hemisphere, are a great influence in commercial, industrial, and cultural development.

Happy Meeting

OUR first commercial conference was held in 1911, our second in 1919, and this is the third. It is a happy circumstance that the Chamber of Commerce of the United States, meeting at this same time, gives an opportunity for bringing together representative business men covering all the territory of the Pan American Union.

The growing intimacy of our relationship is emphasized by the fact that delegates are already here to hold a conference on commercial aviation and other delegates to confer on standardization. To all of these representatives the Government of the United States extends a most cordial welcome. They hold promise of great benefit to all the countries concerned and provide the opportunity and method for promoting mutual cooperation and friendly relations.

While this conference has a semiofficial standing, I believe that its great merit lies in the fact that it represents not government but private industry. Governments do not have commercial relations. They can promote and encourage it, but it is

distinctly the business of the people themselves. If this desirable activity is to

trade should rely on its own resources, and should therefore belong to the province of private enterprise.

It is our conclusion that while government should encourage international trade and provide agencies for investigating and reporting conditions, those who are actually engaged in the transaction of business must necessarily make their own contacts and establish their own markets. There is scarcely any nation that is sufficient unto itself.

The convenience and necessity of one people inevitably are served by the natural resources, climatic conditions, skill, and creative power of other peoples. This is the sound basis of international trade. This diversity of production makes it possible for one country to exchange its commodities for those of another country to the mutual advantage of both. It is this element that gives stability and permanence to foreign commerce. It contributes to satisfying wants and needs, and so becomes a help to all who are engaged in it.

Trading Ideas

THE civilizing influence of commerce has often been noted. An exchange of commodities always results in an exchange of ideas. The railroad, steamship, telegraph, telephone, and now the airplane, have all reached their highest development as instrumentalities of trade.

As law and order and security are absolutely necessary for industrial and commercial life, international exchange of large dimensions becomes one of the strongest guaranties of peace.

The last half of the century has seen a very material reallocation of the commerce of the Western Hemisphere. In its beginning we were all largely dependent on Europe for a market for our raw materials and for a considerable supply of manufactured articles. This condition is very much changed. The United States has become the chief market for the raw



PHOTO © H. & C.

Calvin Coolidge, President of the United States of America

grow and prosper, if it is to provide the different nations with the means of self-realization, of education, progress, and enlightenment, it must in general be the product of private initiative.

Under free governments trade must be free, and to be of permanent value it ought to be independent. Under our standard we do not expect the Government to support trade; we expect trade to support the Government. An emergency or national defense may require some different treatment, but under normal conditions

materials of the southern republics, while on their part they have turned to us for a supply of manufactured commodities. Since our sister republics became independent this trade has greatly increased.

In 1830, nearly a hundred years ago, the value of both exports and imports amounted to about \$25,000,000; 50 years later it had reached more than \$200,000,000, only a little less than 10 times as much; and during the last 10 years it has averaged not far under \$2,000,000,000, again increasing almost tenfold in 50 years. In the hundred years, or a little less, the increase has been nearly a hundredfold.

In this exchange of commodities this country has, as is known, purchased far more from them than they have purchased from us, or, in other words, the visible balance of trade has been in their favor. During the last five years our purchases have amounted to a total of \$5,068,000,000 and our sales to \$3,781,000,000, showing a difference of \$1,387,000,000 or an excess of about 34 per cent. For the century the excess would be greater, probably by more than 40 per cent.

Latin America's Customer

NOT only has this country purchased more than it has sold, but it has long been the chief foreign purchaser of their products. During the twelve years ending with 1925, the only years for which complete statistics are available, this country's share of their exports has averaged nearly 40 per cent. This is more than 200 per cent of the portion taken by Great Britain, the nearest competitor, and nearly 30 per cent above that taken by Great Britain, France and Germany combined, the three next most important purchasers.

In the import trade of the southern republics the United States has also, though more recently, come to occupy the leading position. In 1900 the imports of all these countries, collectively considered, from Great Britain were about equal to their imports from the United States and Germany combined, which last two countries were on about an even footing.

From 1900 to 1910 the United States gained rapidly, and since 1913 has remained in the lead in the collective imports of all Latin America. In the countries north of Panama the commercial importance of the United States has, because of greater proximity and greater diversity of products, been much greater than in those to the south.

When We Led in Exporting

EVEN prior to 1890 imports into Mexico, Cuba and Central America were almost uniformly greater from the United States than from any other country. Up to the year 1913 South America still imported more from Great Britain and more from Germany than from the United States. Since that time the United States has reached and maintained the first position in the import trade of South America, just as it has maintained the lead in the import trade of all American republics.

While America is not the chief market for breadstuffs and animal products of these countries, it is and must be the chief mar-

ket for industrial raw material, tropical and semi-tropical foods, copper, hides, wool, oil, cane sugar and coffee.

This trade must come to our market just as certainly as the trade of Texas, Kansas or Connecticut must find its chief outlet in our domestic market.

Such articles as mineral oils, molasses, chicle, nitrate, bananas, coffee and refined copper find almost 100 per cent of their market in this country, while sugar and lead products come close to 85 per cent. While on the other hand, naturally, these countries do not take anywhere near so large a proportion of our total exports as we take of theirs, yet in many articles it runs about 30 per cent and its total for 1926 was almost \$882,000,000, or about 20 per cent of our entire exports.

This is a vast sum both in exports and imports, and of great importance to our southern neighbors and to ourselves in its financial effect and in its enormous humanizing influence.

A prime requisite of commerce is transportation. On account of location and cost most of our trade to the south is carried on by shipping. In the last few years these facilities have been both increased and improved.

Boats which are comfortable and commodious run from New York to Peru in 12 days and to Chile in 20 days, while on the east coast the Argentine is reached in 20 days and Brazil in 12 days. At least once each week, sometimes oftener, there are sailings to Caribbean ports. This fine passenger service has brought people directly to America who formerly came here by way of European ports. In addition to this a very extensive freight service has been built up. In 1900 the number of American vessels that entered these foreign ports was 2,044, while the number that cleared was 1,623. In 1925 the number that entered was 6,239 and the number that cleared 8,193.

Distribution a Land Problem

WHILE ships can land goods on the coast, and sometimes go up the larger rivers, any extensive distribution is dependent upon land transportation. The building of railroads has greatly contributed to this purpose. Engineering feats have taken these railroads over high mountain ranges that seemed impossible. The highway, with the introduction of motor trucks, is becoming an important adjunct to the railroads in our own country and in all the republics to the south.

Modern methods of construction have been so highly developed in building our highways that our road machinery is in great demand, and the desire for information and education on this subject has become so widespread as to call together great international conferences.

Supplementing other modes of travel, both by sea and land, is the development of aviation. While this has not reached the stage at which it becomes a very important factor in international commerce, yet where speed is necessary in carrying travelers, perishable articles or mail, it holds promising possibilities.

Not only transportation, but communi-

cation, is necessary to commercial interchange. For this purpose we have the Pan American postal agreement, which makes the domestic rates on mail matter applicable to all the nations which are parties to the agreement. This includes all the republics of the two American continents with one exception, so that a letter will go anywhere within their territory at the domestic rate of postage which prevails in each.

The cable and the radio both furnish means by which almost instantaneous communication can be had among all the nations of our two continents.

Advertising a Trade Factor

NO doubt the most important influence in enlarging trade is advertising, and of all forms of advertising that which results from personal experience and personal contact is most valuable. A conference of this nature, that will bring into such intimate relationship the representatives of the various producing elements of so many different nations, cannot help revealing many new wants and many new sources from which they can be supplied. Our sister republics have resources of enormous value, and a constantly increasing dependence of the whole world upon the products of their natural resources assures them of a continually enlarging commercial horizon.

While our own country is desirous of participating in this trade, it does not wish to do so at the expense of any other people, but upon a basis which is mutually just and equitable. Commerce has no other permanent foundation. We expect other countries to produce commodities which we can use for our benefit, and we expect to produce commodities which they can use for their benefit.

The result is a more abundant life for all concerned.

It is this mutual interdependence which justifies the whole Pan American movement. It is an ardent and sincere desire to do good, one to another. Our associates in the Pan American Union all stand on an absolute equality with us. It is the often declared and established policy of this government to use its resources not to burden them but to assist them; not to control them but to cooperate with them. It is the forces of sound thinking, sound government, and sound economics which hold the only hope of real progress, real freedom, and real prosperity for the masses of the people, that need the constantly combined efforts of all the enlightened forces of society.

Aiding With Moral Influence

OUR first duty is to secure these results at home, but an almost equal obligation requires us to exert our moral influence to assist all the peoples of the Pan American Union to provide similar agencies for themselves.

Our Pan American Union is creating a new civilization in these western republics, representative of all that is best in the history of the Old World. We must all cooperate in its advancement through mutual helpfulness, mutual confidence and mutual forbearance.

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An Ideal of the New Business Era

By **JOHN W. O'LEARY**

Former President, Chamber of Commerce of the United States

THOSE who read the report of the Board of Directors of the Chamber of Commerce of the United States will find new policies which have been added to the business program and platform through referenda. There they will learn of our success or failure in legislative matters, and, if it be failure, be reminded of the permanency of any effort which the members leave, through instructions, to the business staff. There is no stopping when they once issue orders. If a failure comes at this session, there will be efforts at the next session.

We have grown to the largest membership in our history, a gain of 220 organization memberships, putting us over the 1,500 mark, near which we have been for so long.

In a Strong Financial State

OUR financial condition is excellent, our reserves are in better condition than they have been in the past, and there is much to be happy about in that condition.

There is one thing of interest not in the report and that is that the home of the United States Chamber is to be finally freed from debt. The building, through the efforts of our first president, Harry Wheeler, was the gift of American business; that every dollar of the original contemplated cost was subscribed by American business men. There was a deficit, which came about through increased costs, a deficit unexpected and unaccounted for, but which is always an aftermath of any great undertaking like this.

On January 31, 1926, the deficit amounted in round figures to \$346,000, and the building fund was closed. Through the untiring efforts of the men who are serving your organization, through an economy which has been at times too extreme, that amount has been reduced, until today in round figures we have a debt of less than \$190,000 and a possibility of payment of \$40,000 of that.

Yesterday the Board of Directors decided that the balance of that deficit should be paid from the reserves which have accumulated, and which have been building up even while this debt has been in process of payment, and that we should clear our home of debt. With that action will be completed the transfer of title to trustees, who will hold this property for the use for which it was originally intended, and protect it for such use for all time.

But the bare report of the Board of Directors tells only a part of the real story of the Chamber of Commerce of the United States. The details of the services which are being rendered each day are growing and growing in importance, ranging from assistance to a community in having transportation or shipping furnished to it to relieve congested ports, to seeking to advise regarding a possible market for rattlesnake skins. It is a wide field, but it is being covered earnestly and with success.

I will not undertake to speak more on those details. Rather will I give to you

some impressions which have come to me.

I think the first impression that has come as a result of these two years of service is an impression of the vastness of this enterprise of ours. Its founders conceived an organization nation-wide, an or-



PHOTO © H. S. E.

John W. O'Leary

ganization of vision, an organization of service, an organization of practical idealism. The purpose was clear, but I think even in the minds of those wise men, who builded well, its future was vague.

It has come to me that in this great nation of ours we are so accustomed to bigness that we sometimes fail to realize what it means. For instance, it is an easy thing to say that we are citizens of a great nation. All of us know that the geography of it is clear, that we are bounded on the east by the Atlantic and on the west by the Pacific, that Canada is on the north and Mexico on the south. But I confess that I never had quite an idea of its bigness until I began to study the work of this Chamber, its ramifications, and the far-reaching places which it must enter. The Chamber is divided into four divisions. It had to be divided. We found it was too big to cover from Washington, and to give the service which should be rendered efficiently.

Let me picture these four divisions to visualize the bigness of this Nation we serve.

The eastern division has an area of 451,000 square miles. That division alone could take in the whole area of Germany, France

and Italy, and have some thousands of miles to spare. The wealth of this division is, roughly estimated, \$131,000,000,000. It is, consequently, comparable, in fact, to the wealth of the whole British Empire. The population is approaching 50,000,000. The population of the entire Roman Empire never exceeded 50,000,000. If the vice-president for the eastern division were able to get a special train—unfortunately, under the program of economy under which we have been operating for the last three years, he could not have it—if he could get a special train to carry him from the northern limit to the southern limit of the division without stopping, he would be en route for a day and a half. That is one division.

The Northern Central Division has an area of 614,000 square miles. Like the Eastern Division, it could take in the combined areas of Germany, France and Italy, and have a comfortable margin. To cross the division requires a day and a half of continuous travel on the best trains yet devised. The distance is about the same as the distance from Paris to Constantinople, or from London to Moscow. In 1925, the last year for which we have complete statistics, the people in this division, in their business enterprises, reported to the Federal Government that their net incomes subject to tax exceeded ten billion dollars, or just short of one-third of the great total of thirty-three billion for the whole country.

The Western Main Division has an area of 1,189,000 square miles, a population of 9,000,000 people, and an estimated wealth approaching \$40,000,000,000. In its agriculture, its forests, its minerals, and in the diversified new industries of the Pacific Coast and its shipping interests, it has resources which assure it of a future hard to forecast. In area it compares with British India and Argentina, and its population approaches the population of the Argentine. With nine per cent of the population of our country, this division furnished 13 per cent of the returns filed for Federal income taxes in 1924, and almost 50 per cent of the population of the Western Division participated directly in the incomes shown in those returns.

Another Empire of Trade

FINALLY, the Southern Central Division with an area of 770,000 square miles, a population of 25,000,000 and a wealth of fifty billion. In population it is equal to the old Austro-Hungarian Empire. Using the fastest trains and the best connections, the vice-president for the Southern Central Division would have to spend forty hours traveling from the eastern to the western boundaries.

One cannot keep in mind these figures, but I have them in this broken-up form so that one might get some conception of what this Nation is. Each of these divisions is an empire of world importance, and this organization is expected to cover these empires in both its membership and its work. Let me give another impression. I re-

member very well being one of those who used to criticize the referenda of the Chamber of Commerce of the United States. It seemed such a slow way of getting at an opinion. It seemed such a difficult way of expressing an opinion. I know that many of you have heard the same expressions, because I have heard them constantly as I go about the country. But this is the impression I have gotten, after two years of service, that great wisdom was shown in the adoption of this method of gathering the business opinion.

Facts as a Foundation

AS a foundation, there is a collection of facts, and a study of those facts, and a consideration of those facts by a group of able and successful business men, widely diversified in interest and vocation. There is a study of those facts, the development of opinions expressed in principles or policies, the sending out to the entire United States of those opinions secured by the group studying the facts, and consideration of the facts by local groups everywhere. It is a slow process, but the educational value of the referenda of the Chamber of Commerce of the United States is tremendous.

Bigger than that educational value, however, there has come this impression to me, of the wonderful cumulative value of these referenda. What have we been building? Gradually a platform of sound economic policies, which will eventually—and which has already in many cases—give us a platform on which every piece of legislation offered may be considered. Sometimes there is an expression of wonderment as to why the membership has not had an opportunity to discuss or vote regarding a certain bill which is in Congress.

During the years since this Chamber has been in existence, there have been four or more referenda on taxation. Studies of this great question are on continuously, and principles have been established. There is hardly a tax bill which can be offered in Congress today which cannot be judged on the basis of the principles you have established over these years. So, instead of having to take snap judgment, we have an opportunity of taking careful judgment on every measure that is offered, and, of course, have the further advantage of being able in a constructive way to advise with the committees of Congress before the bills are written, rather than making necessary opposition to them after they are written. This constructive effort is of growing value, and is being more and more appreciated.

A President's Impressions

I HAVE several other impressions. We are to make a change in our program today and bring to you a matter which is of great interest. But let me give you this impression as one that I have received, an impression of the tremendous value of the service rendered by business men through this organization, the increasing self-regulation which has been coming on almost unconsciously during the period of the growth of the Chamber of Commerce of the United States.

How much better it would have been if we could have gained our self-regulation

twenty-five years ago or more, how much freer we might have been today from restrictive laws, from super-regulation and government interference in many processes which might be better off today under private initiative.

But we have made great progress in self-regulation. In so doing, we are gradually tending, I believe, to avoid more of government regulation, and, if we persist in trying to conduct our businesses within the law, with sincerity of purpose, with the development of ideals in business, I am confident that the regulations which will come in the future will be of minor importance.

The value of service rendered in the development of ideals I may touch on. I saw an advertisement recently in connection with the great flood disaster which is on us, advising the people of the stricken communities that their goods will be replaced without cost, and that has been followed by the action of more and more business men throughout the country in the same direction. Is it not a big spirit which undertakes that job of helping and assisting, without waiting to have the demands made on them, or being forced through circumstances which they have not anticipated?

I had occasion a day or two ago to try to purchase a trunk. I found that I had not the keys of the trunk that was in my possession, and in a great hurry I thought I must get another one. After looking at several of them, I made the comment that it was too bad that I had to buy a trunk, because I could not get a key to fit the one I had. The man with whom I was talking said, "Well, we will get a key for you." He lost a sale. But is not that just indicative of the new spirit of business today in its desire to serve?

The service rendered is bringing about a most desirable and important thing, an understanding between these four empires within the borders of our own Nation, an understanding which is bringing about national unity as opposed to the idea of sectionalism.

And What of Government?

I THINK there is no more important part of the work that is being done today than this recognition of advancing unity and of our responsibility toward our Government. We are meeting today at a time when one of the greatest national disasters in our history is still going on. The sympathy of the whole country is directed toward those people along the Mississippi River and its tributaries who not only in many cases have lost friends or relatives, homes and means of livelihood, but who are suffering, and will continue to suffer, privation and hardship until the water recedes. With this sympathy there goes a pride in which the whole Nation takes part. The heroism and courage and energy with which that section of the country is meeting the trial arouse the enthusiasm and bring congratulations from all of us.

The Administration, and all departments of the Government, are cooperating with the Red Cross and the state and local committees to check the flood, to relieve the suffering, and to repair the damage. This subject is receiving daily consideration by

your Board of Directors, which will probably result in some action proposed at a later meeting, but in the meeting yesterday the suggestion was made that American business today challenges American engineering skill to harness the Mississippi so that there shall not be a repetition of this great calamity.

In making that challenge, business men of the United States pledge their support to such engineering effort.

Is it not a fact that, through what has been going on during these years, we are recognizing this spirit of national unity? The problem of the Mississippi and the eight states now involved becomes a matter of interest to all of us, and we are all going to do our part, whether in our private business way or in participation in the help which must be beyond us, in the governmental way. We are all going to do our part in supporting some relief program.

A Willingness for Service

I WOULD talk more at length if time permitted of the increasing consciousness and responsibility on the part of business men to the community, to the state, and to the Nation. It is increasing. Everywhere there is evidence of it. Everywhere there is a willingness to serve, a desire only to find wherein men may serve best. If we took advantage, or could take advantage today, of this willingness to serve, the opportunities for forward march in the United States would be beyond imagination.

It is such impressions as these that make me feel repaid for a service which I may have rendered. There is distinct knowledge on my part that no president ever had or ever could have greater loyalty and greater willingness to respond in service on the part of the staff of this organization, and on the part of the membership in it. It has not been confined to our Board of Directors; they have responded in magnificent fashion. It has not been confined to our vice-presidents, who have relieved the president of much of his burdens. It has not been confined to the organization membership, large as it is. It has extended throughout the communities, and indicates, again, the increasing consciousness of responsibility on the part of business men to their communities, their states and the Nation.

For all of it I express my keen appreciation. An organization built on the foundation of vision, of service, and of practical idealism, will progress. Changes in personnel, of those who serve, changes in methods of conducting the affairs of the organization, changes in the membership may occur, but, if the foundation of vision and of service and of practical idealism continues, progress is bound to result.

The Chamber of Commerce of the United States was built on such a foundation. Through the 15 years of its history, it has continued to grow in strength and support, in power for good, in helpful service to the Nation.

So long as it adheres to its purpose and to its ideals, so long as it continues to receive the unselfish service of the business leaders of the United States that it has received, but in increasing number, it will continue in power for good.

The New Responsibilities of Business

By **HALEY FISKE**

President, Metropolitan Life Insurance Company

BETWEEN the Scylla of the old rock principle, "Competition is the life of Trade"—and often the death of the traders!—and the Charybdis of government stone-wall regulation and anti-trust legislation, the business man has been obliged to steer warily and keep a good lookout. He has had rather a hard time of it during the last generation.

The general subject of the present annual meeting of the United States Chamber of Commerce, "The New Business Era," will enlighten the members and the public on the progress the business man has made in the narrow channel and how nearly he has reached the open sea.

"The New Responsibilities of Business" which I have been asked to discuss are of three characters: The relations of business men to each other, to the employees and to the public; and these three responsibilities are interrelated.

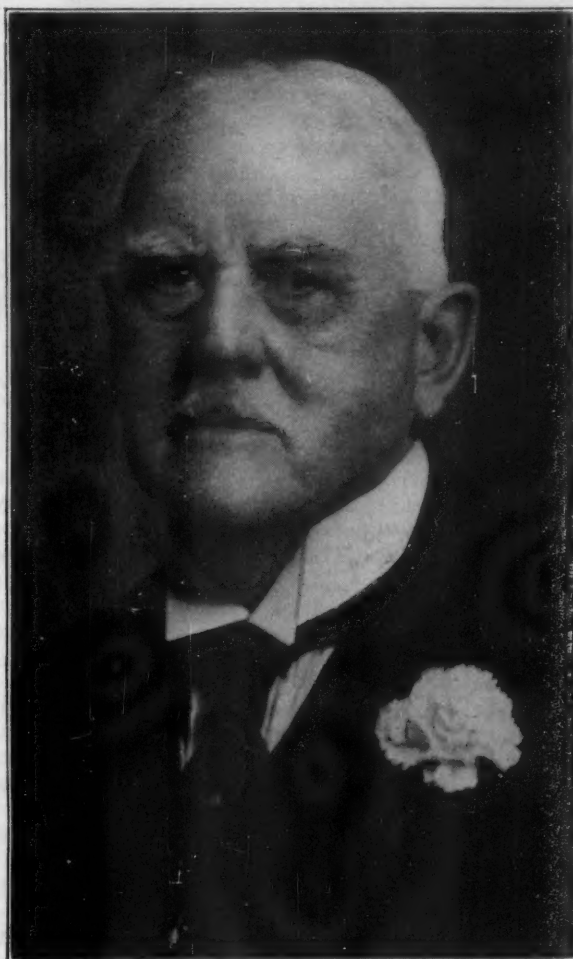
Three Responsibilities

I TAKE it that there is one ideal in the three responsibilities and that is *service*. Business men have listened to the clarion call which has been ringing throughout the world; and they have organized to respond to it. This great chamber is the outstanding witness. Here you are with 1,500 constituent members, Chambers of Commerce and Trade Associations located in every state of the Union with 800,000 members, sending delegates here for reports and conference and planning action with the Advisory Committee representing the eight divisions of your organization. Here you are to receive light and leading. Here is the center to which your trade associations report. Let us look in a very general way upon the methods by which they are meeting their responsibilities, by citing typical instances.

1. The relations of members to each other. They are summed up in one word—cooperation. I have been allowed to read sixty reports of work of trade associations. In some associations there is the system of arbitration of disputes between members, in some cases compulsory, and even directed to disputes with non-members. In 59 associations there is joint advertising each of the particular business, carrying 1,237 pages in 25 periodicals.

Here are some of the activities of one or another of the trade associations: To solve a problem difficult and in some cases almost impossible as to how to bring about improvement in conditions to enable members, especially the weaker ones, to stay in business in what is characterized as "a deplorable competitive situation." To help small manufacturers by giving information they cannot afford to get. To obtain for

common use legal opinions on trade difficulties. To put a stop to unfair competition, involving often graft in obtaining orders. To improve standards in order to meet and overcome cut-throat competition by inferior substitutes. To improve stand-



Haley Fiske

ards and qualities, to comply with building ordinances and to strengthen and improve the laws. To establish ethical codes in competition. To send out inspectors to factories to make tests to improve quality and raise standards. In the coal association to promote safety in mining.

Getting Rid of Wastes

COOPERATING with the Federal Board for Vocational Training to give training courses in localities and by literature to enable merchants to survive competition of chain stores. Cooperation with the Department of Commerce in standardization and eliminating duplication. You may be familiar with the astonishing results achieved in this line—reducing varieties in hotel chinaware from 700 to 160, in milk bottles 49 to 9, in bed blankets 78 to 12, in paving

brick 66 to 4, in asphalt 88 to 9, in files and rasps 1,351 to 496. In one industry to find means to reduce failures—it is said they amount to 50 per cent—arising largely from ignorance of conditions.

To set forth models of stores and of fixtures. In one industry \$70,000 were saved on one item of the manufactures. One industry has surveyed establishments covering fifty millions of dollars of business to fix proper ratios of assets, liabilities, income and expenditures; and has brought about vocational training and furnished help to the small concerns.

In many industries considerable sums have been spent in research work, some on physical and chemical standards of raw material. It was research work which brought about the plans for model stores and accumulated a very large library of information. Research work in laboratory has made data available for the cement association, is promising in another industry to revolutionize the product and to put the people in it "on top of the world," as one representative visualizes it, in another the improvement of lacquer. One industry has raised \$500,000 for research. Another has a laboratory and a fellowship in a university, with special studies in sterilization of food products. Another a research seeking means to insure quality at a reasonable price. Another into nutritive values of food.

Real Cooperation

IT IS to be noted that all this research work is by associations for the benefit of all of their members. It is real cooperation.

2. Relations to the public. As to this it is certain that all of the work described is a service not only to members but to the public. It all goes to the improvement of what the business men make and sell and much of it goes to cheapen costs and selling prices. The constituent associations are also working for the protection of the buying public. One industry educates the employees to produce good output and has actually got 70,000 of them to sign pledges to give the right kind of work and to replace inferior work—many of these are foreign born who are thus trained in American ways. Several of the associations are fighting against misbranding and misstamping, in other words, against deception of the public as to material and quality. Some of them as associations guarantee the quality evidenced by standard labels. One association certifies an important product where deception would be easy and non-compliance with legal requirements might be concealed. Another association standardizes grades and correctly marks them upon the product. Another enforces stand-

ards recognized throughout the world for measurements and inspection.

Another association is engaged in eliminating trade abuses and unfair methods of competition, including such matters as short weight, short measure, misbranding and misrepresentation. One association has as its main object the adjustment of consumers' complaints. Another devotes much attention to the prevention of accidents in street travel. I think the improvement in the character of advertisements most noticeable; and I believe this is largely due to the discrimination and efforts of trade associations and to the joint counsel and ambition of the Association of Advertisers. Advertising seems to be developing as one of the fine arts.

Hoover, a Master Intellect

IT would not be right to close this summary of what is being done by the business men in relation to each other and to the public without a tribute to the magnificent leadership and cooperation of the Department of Commerce under the direction of the master intellect of Herbert Hoover, whose vision is world-wide, whose analytical mind penetrates all industry, all commercial relationships, all problems of human life and welfare, all branches of economics.

3. Relations to employees. It must be admitted that if business men as employers have had times the history of the workers has been a sad one. In colonial times there was no industrial class struggle. The first change came when improvements in transportation broadened the market for goods, and increased competition and a wholesale field were developed. Cut prices resulted in effort to reduce costs and the first method was naturally reduction of wages.

Then came trade societies and strikes and the limitation of apprentices. Before 1830 there were labor organizations and strikes among printers, shoemakers, hatters, tailors, weavers, nailers and cabinet makers and unorganized strikes in the textiles and building trades. The merchant-capitalist developed the sweat-shop system. The next generation witnessed a consolidated labor movement and entry into politics. In the sixties perfection of machinery changed production from a nondescript to a machine basis; then more severe competition and wage cutting. For twenty years there were a number of experiments by working men and their associations in cooperative factories reaching a total of two hundred, with insufficient capital, which finally died out because of unsuccessful management.

Later came the growth of trade unionism; and labor seems to have come into its own. Taking wages and prices of 1913 as 100, the union wage rates last August were 238 and prices 150. Along with it has come increased productivity. Taking 1914 as 100, the 1925 index showed in iron and steel 149, automobiles 310, boots and shoes 116, pulp and paper 125, cement 157, leather 128, flour milling 139. The trade union principle for wages is based upon their purchasing power and in proportion to man's improved power of production.

There seem to me to be increasing signs of better understanding between employer and employee. There is much evidence

that business men are regarding the human element in labor relationships; on the other hand that the trade unions are recognizing that peace and prosperity can be promoted by understanding, by cooperation, by recognition of a common interest in industry.

We are witnessing many experiments: personnel administration; cooperation in shop management even in some cases including wage adjustments; suggestion systems with prize awards not on wages but in the promotion of efficiency, in improvement of apparatus and conditions under which it is used, and in saving of time, money, labor or material; single company unions; accident prevention; hygienic attention to workrooms; medical and surgical attention, dental work, nursing, cafeteria service, milk supply; profit sharing; stock purchasing by employees helped by contributions from employers; mutual benefit associations with corporate assistance; pensions; efforts in seasonal employments to cut down lay-offs and even giving allowances in cases of unemployment; intensive health work.

One of the most interesting experiments in this last mentioned work is in an industry with a very high death rate from tuberculosis and silicosis, where a campaign has begun financed by the United States Government and a life insurance company, whose joint contributions have been doubled by the employers.

One Phase of Group Insurance

REGARD group life insurance with all its ramifications as entering in a most important way into industrial relations. It operates in two ways. One is to bring home to the employer his responsibility for the welfare of his employees as human beings and the economic quality involved in the brotherhood of man. The other is to bring home to the employee his correlative duties and the economic advantage of becoming a real partner in industry quite aside from any division of profits—although that may be an indirect result in the way of wages, continued employment and living conditions and ultimate pecuniary rewards.

It is of immense benefit to industry that employees should remember that employers are human beings even though they act in a corporate form. In group insurance, employer or officers of employing corporation and workers are insured by one contract, the premiums being contributed by both parties—for 95 per cent of the group business is on the contributory plan.

The contract may provide for life insurance, accident insurance, insurance against sickness, pensions, insured savings, insured thrift and some day we hope unemployment. Incident to it in some companies are free nursing, the distribution of health and safety literature, surveys of places of employment, free advice on sanitation, healthful conditions as to light, air, pure water, safety, humidity, heat, elimination of dust, occupational disease control, accident prevention, even on machinery, manufactory methods, cost fixing, distribution and allocation of factory divisions, on personnel, the creation of good morale, recreation, housing, draining, diet, rest rooms, rest periods, assistance to building loan associations, mutual benefit societies, social organizations. A long catalog, is it not?

And yet every one of these items is on the actual program of one or more of employers. The number of insured is rapidly increasing and is now over five millions and has more than tripled in the last six years. These activities of employers are cooperative in the same way as your trade associations are cooperative.

One company has seven divisions in charge of service to employers. When a problem is presented to the insurance company by an insured employer, the company communicates (of course without mentioning names) to every other employer in the same line of business, correlates the replies, adds its own advice based on research and study, and sends the result to the enquirer.

These seven divisions were organized by one of your officers, James L. Madden. After putting them into operation, he was released to the United States Chamber of Commerce to organize your Insurance Section. You will admit that this work has been efficiently done. Now, I am glad to say, he is to return to the service of the life insurance company indicated, to pursue, intensify and expand the work. His experience with you has broadened his outlook and intensified his zeal.

Having reviewed the efforts of business men to live up to their duties to the employed, it is most interesting to observe the reaction upon organized labor. I find great satisfaction in quoting the words of Mr. Green, the president of the American Federation of Labor: "The employers and employees owe it to themselves, to all who are dependents of industry and to our nation to avoid subterfuges, to accept and engage in collective bargaining, to recognize and respect the rights of each other," and he pleads for "the maintenance of harmonious relations through personal association, honest and sincere dealing, through conference and education."

Anybody who has watched the recent trend of the pronouncements from labor organizations and the speeches of their enlightened leaders like Mr. Green and Mr. Woll, must have recognized an entirely new attitude which labor is taking toward the employers. There is every evidence that organized labor is recognizing the responsibilities of capital and the representatives of capital.

A New Business Era

HERE is a new situation—"a new Business Era." Both sides are calling for mutual understanding and both are expressing the duty of public service. I have tried to point out by actual examples the "New Responsibilities of Business," the subject assigned to me. You are living up to them in an outstanding way. They are, to sum up, to elevate our ideals. The true ideal of the business man is to be of service to his country, to his associates in occupation, to the public, to those dependent upon him. Righteousness exalts business. High ideals elevate the individual. There is nothing in the world that appeals to a man's conscience like service. Ambition fades. The glory of wealth fades. Extent of power fades. What does remain here and throughout eternity is that every man try his best in serving God to serve well his fellow-men.

What Will Europe Renewed Mean to Us?

WHAT is America's policy as to foreign investments?

When I ask this question I am, of course, referring in no way to the obligations of foreign governments which the United States Treasury holds, nor to its manner of treating those obligations. I am dealing solely with the foreign loans or investments made by American citizens.

Suppose we look first at our financial dealings with our near-by neighbors. The loans made to Central American and West Indian governments have (with the exception of the Cuban, to which American loans now outstanding aggregate \$79,464,900) been negligible in amount. Mexico, prior to the series of revolutions, which all the friends of Mexico hope are now ended, borrowed extensively in the foreign markets. I happen to be chairman of an International Committee formed in 1919 to endeavor to protect the interests of the holders of Mexico's foreign bonds which aggregated (with accrued interest) about \$725,000,000 (including the National Railways' debt). Upon the invitation of the Mexican Government I visited Mexico in 1921 in order to study the foreign debt situation with the government officials.

Mexican State in Earnest

IN PURSUANCE of agreements subsequently entered into our protective committee has received from the Mexican Government upwards of \$30,000,000 gold for distribution to bondholders. It is true that such sum represents only about a quarter part of what was due upon the original obligations. Nevertheless, the remittance by the Mexican Government of a sum as considerable as that stated is evidence of an earnest desire on the part of the Mexican State to fulfill its obligations to its foreign creditors.

The handling of the land and oil questions has, however, had the effect of discouraging most of the British and American oil companies operating in Mexico, and their oil production has fallen off heavily. For instance, the production of oil, which in 1922 amounted to 182,200,000 barrels, fell in 1925 to 115,500,000 barrels, and in 1926 to 90,500,000 barrels. The production in 1927 is hard to estimate, but if continued at only the present rate will be materially below that of 1926. The taxes levied by the government upon the production and export of oil form its greatest single source of revenue, and this diminished production of oil has cost the government heavily.

Little Foreign Capital Invited

UNTIL these perplexing questions now at issue approximate settlement, it is not probable that Mexico will invite foreign capital to seek outlet there on any large scale. I believe that the United States has the greatest possible friendliness for our nearest neighbors on the south and desire for them nothing but peace and prosperity. I know of no group in the United States, having direct contacts or dealings

By **THOMAS W. LAMONT**

Of J. P. Morgan & Co.

with Mexico, that is not anxious to meet all questions at issue in the same spirit of patience and good-will. The country undoubtedly noted with great satisfaction



Thomas W. Lamont

President Coolidge's recent hopeful utterances.

As to Central American countries, south of Mexico, for instance Nicaragua, American bankers have been charged in some quarters with seeking to make loans to Nicaragua and then invoking the aid of the American Government to protect such loans. It so happens that the firm of which I am a member has never had the slightest interest in loans accorded to the Government of Nicaragua. Therefore, possibly I may speak without prejudice.

It was in 1911 that, at the request of the American Government, certain American bankers undertook to render financial assistance to Nicaragua. Since that time Nicaragua has benefitted by a striking reduction of its public debt; from approximately \$32,000,000 to approximately \$6,625,000, largely through adjudication of claims, funding of outstanding obligations and careful handling of government revenues. Nicaragua, whose currency was in complete chaos in 1911, now owns a national bank, which has paid in dividends since its formation in 1912 \$290,000; and in addition has built up from earnings a surplus of approximately \$300,000.

American engineering skill has taken the chief railway of Nicaragua, which sixteen years ago was described as a streak of rust, and from a broken down and unprofitable road has turned it into an efficiently operated property. Previous to the present revolution the earnings from the railroad and from the bank, both of which were entirely owned by the Government of Nicaragua, were sufficient to pay the entire interest charges on the government's foreign and domestic debts. It is only fair to say that American banking guidance of Nicaragua's financial affairs caused business there to grow and prosper; and such American commercial interests as now exist in Nicaragua are the result of these American bankers having put the country on a gold basis, of having secured an efficient and honest collection of revenue, of having organized and successfully managed the national bank, and of having rehabilitated the national railroads that effectively served the industrial needs of the country.

Incidentally, two points may be noted. From 1911 until the end of 1925 (covering the latter part of the Taft, the two Wilson, the Harding and the Coolidge administrations) the American Government maintained a small legation guard in Nicaragua. During that period the country was stable and prosperous. The accomplishments in behalf of the government which I have described were being steadily carried on. The marines were withdrawn in 1925, a revolution began, and the Nicaraguan Government has now been obliged to go again heavily into debt. The other point is that bankers never took part in Nicaraguan affairs until the United States Government under President Taft undertook to negotiate a treaty with Nicaragua calling for financial cooperation on the part of American nationals.

Reign of Terror and Blood

THE cases of the Haitian and Dominican Republics have much that is in common. In the ten years prior to 1915 there was almost constant bloodshed and terror in Haiti. Conditions became so desperate that, as Mr. Wilson's Secretary of State, Mr. Lansing, pointed out in his letter to the Select Committee of Congress on Haiti, it became evident to the Administration after the violation of the French Legation that "if the United States had not assumed the responsibility (of action) some other power would. To permit such action by a European power would have been to abandon the principles of the Monroe Doctrine." Under the treaty ratified between Haiti and the United States in 1916, the American Government undertook to use its good offices to provide Haiti with an efficient and stable fiscal administration, and in 1919 a consolidation loan of \$16,000,000 was issued by American bankers. In 1915, prior to American intervention, Haiti's public debt stood at approximately \$36,000,000. Today it has been reduced to less than \$22,000,000. Budgets have been balanced regularly and instead of the usual annual deficit

the Haitian Government now keeps a surplus of about \$5,000,000 on hand; roads and other public works have been constructed; an agricultural department has been established under American experts to teach the Haitians better farming methods; the gendarmerie has been established with both native and American officers, and sanitary conditions have been immensely improved.

Less Turbulent than Haiti

THE record of San Domingo has been less turbulent than that of Haiti. Yet under circumstances that were becoming intolerable the American Government intervened in 1916 in the affairs of this Caribbean neighbor of ours. When the Dominicans failed to cooperate in the American plan for peaceful administration of the republic's affairs, President Wilson finally directed in November, 1916, that a military government be instituted. Its administration was so effective that in less than a year the Dominican Government had a surplus of over a million and a half dollars on hand. Claims against the republic aggregating about \$15,000,000 were settled for approximately \$4,500,000. Various American loans for constructive purposes were made and such loans now aggregate \$15,000,000. Late in 1922 the American military administration was withdrawn.

The present administration here at Washington requires no apologists. But from a study of the record it is difficult to see the grounds upon which certain portions of the public press charge the present Administration with new and imperialistic policies in Central America. The attempt to maintain reasonable order and prevent unnecessary bloodshed among these nearby neighbors was made a policy of our government between fifteen and twenty years ago. Laudable as such a policy may be considered, it was not inaugurated by the present Administration, but it has been followed by it with restraint and prudence.

Reviewing Our Credit Change

NOW as to the world at large, we are all familiar with the old story as to how America's credit position has changed in the last decade. Even, however, at the risk of repetition, we must cover the same ground again. We must recall that up to the outbreak of the war, America had for decades been borrowing heavily in Europe; that to a very considerable extent the building of our transcontinental railways in the nineteenth century, and the development of our agricultural lands were carried out with money loaned to us by British, French, German and other European investors. It was estimated that at the outbreak of the war British investments overseas amounted to approximately \$20,000,000,000. During the war British investors sold their American holdings upon a large scale. Yet the Chancellor of the British Exchequer stated in 1925 that his countrymen still held in foreign investments an amount equivalent to almost \$15,000,000,000, and no doubt these have now again reached a figure of \$20,000,000,000. Because, however, of America's enormous excess of exports over imports (such excess for the war years 1915 to 1920 alone being over \$18,000,000,000),

because of the heavy repurchase by Americans of their own securities and because of the foreign loans made in the last decade, America's credit position has now been so far reversed that it is figured that the gross annual interest and sinking-fund service payable to America upon foreign loans issued here (including the governmental loans), and the dividends from industrial and other investments now total about \$1,000,000,000 per annum.

With such a great sum due each year to America, naturally the question arises as to how much further foreign countries will be able to stand this annual burden. Will their exports so far exceed their imports that they can continue (except by continuous fresh borrowing) to transfer the sums necessary for interest and sinking funds?

Europe Not Sole Debtor

DO NOT get the idea that all our American loans of recent years have gone to European borrowers. We must not overlook the large sums loaned and invested in many other corners of the earth. Here is a rough summary of them all up to a year ago, according to figures compiled by the Department of Commerce:

ESTIMATED VALUE OF AMERICAN INVESTMENTS
ABROAD ON DECEMBER 31, 1925
(IN MILLIONS)

Regions—	Government and Government Guaranteed Obligations	Industrial Securities and Direct Investments	Total
Europe	\$1,825	\$675	\$2,500
Latin America	910	3,300	4,210
Canada and Newfound- land	1,175	1,650	2,825
Asia, Australia, Africa, and rest of world	520	350	870
Total	\$4,430	\$5,975	\$10,405

To this total might be added say \$1,000,000,000 for new issues (less refunding) in 1926. Of course, any inclusion of inter-governmental debts would greatly increase the grand total.

And here follows a summary (without deduction for refunding operations) of

FOREIGN GOVERNMENT, STATE, MUNICIPAL
AND CORPORATE LOANS PUBLICLY ISSUED
IN THE UNITED STATES FROM 1919
(THE ARMISTICE) TO 1926 INCLUSIVE

Year	(1) Government, Provincial And Municipal	(2) Corporate	Total
1919	\$511,500,000	\$105,448,000	\$616,948,000
1920	357,055,000	228,626,000	615,681,000
1921	463,573,000	169,867,000	633,450,000
1922	624,174,000	124,051,000	748,225,000
1923	379,482,000	53,931,000	433,413,000
1924	880,703,000	317,776,000	1,198,479,000
1925	776,022,000	515,971,000	1,291,993,000
1926	719,935,000	725,877,000	1,445,812,000
	\$4,742,444,000	\$2,241,547,000	\$6,984,991,000

For what purposes have these various loans been made? In general we may answer that they have been made for constructive purposes. In the early years following the Armistice, loans, publicly issued, aggregating several hundred millions of dollars were made to the Allied Governments, chiefly to the British and French, whose Governments have borrowed

here respectively since the Armistice—\$250,000,000 British, and \$300,000,000 French. During the same period Belgium has borrowed \$285,000,000. The earlier of these loans were of course made largely for the purpose of refunding loans made during the earlier years of the war. The later loans in the case of France and Belgium were made for reconstruction and for measures looking to currency stabilization.

Loans to Europe Recent

LOANS to the Central European countries did not begin until 1923. You will recall the first one of those reconstructive efforts. It was the case of Austria, reduced to a state of limited proportions and resources, shorn of much territory, given over to hopeless inflation, with ruin staring the Austrian people in the face. The League of Nations prepared a scheme of rehabilitation. Despite predictions of failure, it was taken up, and towards the successful loan of \$126,000,000 necessary for stabilization, reorganization of a new central bank of issue, etc., American investors subscribed \$25,000,000. A year later, with Hungary apparently going down the same toboggan slide from which Austria had been rescued, the League of Nations again devised a financial plan, and again a good portion of the loan necessary thereto was issued in the American markets.

Then came the great international loan for the equivalent of approximately \$200,000,000 to the German Government, over half of which, \$110,000,000, was successfully taken up by American investors in October, 1924. This was the loan necessary to set the Dawes Plan under way, and I hardly have to describe to you how vital was the inception of the Dawes Plan to the tranquility of all Europe.

One can reasonably say then that America has taken a generous part in these great efforts for European reconstruction. In each one of these loan offerings in the American markets an appeal has been made to the investment community on the ground of helpful cooperation in world affairs. Naturally, however, the bankers would never have ventured to make such an appeal if they had not first convinced themselves that the loans were sound in themselves and so set up as to give every promise of being met at maturity.

During this same period America's loans to other parts of the world have, as I have just pointed out, been considerable. Among these I might mention particularly the great loan of \$150,000,000 to the Japanese Government in February, 1924. This was the reconstruction loan which enabled the Japanese Government to conserve its external resources and still continue unabated the rapid work of reconstruction following the disastrous earthquake and fire of September, 1923.

Another quarter where American investors have lent money for the first time on any considerable scale has been Australia. In July, 1925, the Commonwealth of Australia borrowed here \$75,000,000. One of the states of Australia, New South Wales, has recently borrowed \$50,000,000 here. Another foreign state that might well be mentioned is the Republic of Argentina. Prior to the war, the bulk of

Argentina's loans came from Great Britain. During the war, New York naturally became the chief loan market for the South American states, and Great Britain has not yet been able to resume her lendings there upon her former scale. During and since the war, the Argentine Government has borrowed in our markets a net total (after allowing for the repayment of short-term indebtedness) of \$230,000,000.

General Purposes of Loans

I HAVE indicated the general purpose of these loans; such for instance as financial reconstruction and currency stabilization in the cases of Austria, Hungary and Germany; material reconstruction in the case of Japan; development of public works and refunding of floating debt in the case of the Argentine, etc. Again last October an international loan of \$100,000,000 of which America's share was \$50,000,000 was made to Belgium for the purpose of stabilizing the new currency, furnishing ample gold reserves to the central bank of issue, etc. When the British Government determined to return to the gold standard in May, 1925, the Government and the Bank of England between them arranged in New York for two-year credits aggregating \$300,000,000. Little if any, however, of this credit was ever availed of, and the Chancellor of the Exchequer has announced that no request for renewal will be made.

France and Italy are the only two great powers of Western Europe which have not yet returned to the gold standard. It has been generally supposed that when these two countries decide to stabilize upon a gold basis they will as a measure of insurance require certain foreign credits, perhaps in the same manner that Great Britain arranged her credits in May, 1925. Yet in the case of France, its financial position has changed extraordinarily for the better in the last nine months. The world has seldom seen such a remarkable reversal and restoration of confidence as that shown by the French people in themselves and in their currency medium since M. Poincaré undertook the reins of government nine months ago. The foreign balances of the Government and of the Bank of France have mounted so rapidly that if and when France determines to resume gold payments she may be able, if she prefers, to do so without negotiating any considerable external credits.

What Italy Is Doing

THE Italian Government, too, has presumably been acquiring very material foreign reserves. The Government borrowed direct here in November, 1925, \$100,000,000, the proceeds of which loan are said to be still practically intact. Since that time governmental agencies and Italian municipalities have borrowed a sum equivalent to approximately another \$100,000,000, the proceeds of which have undoubtedly been made available to the Government and/or to the Bank of Italy for additional reserves.

The question which perhaps interests us most is whether, and if so how long, America will continue to lend abroad sums upon anything like the present-day scale; the Department of Commerce having re-

cently estimated that foreign American investments of all classes amounted to approximately \$12,000,000,000. I cannot attempt to answer this question. Yet we can note some of the factors that are likely to affect the increase or retardation of this flow of American capital overseas. It is for instance clear that Europe is steadily getting more firmly on its feet. As farming land is restored, as manufacture increases, the necessity for purchases in America will diminish. As European enterprise prospers and as savings increase European investors will more nearly be able to return to their former practice of supplying capital for their own development.

Then, too, there is or has been available here in recent years a large amount of European capital which was driven out of Europe by the fear of inflation. A few years ago we were hearing much about the flight from the franc or the lira or even from the pound sterling. No doubt such foreign capital aggregating several hundred millions of dollars found temporary refuge in American investments. With the European currencies either stabilized or near the stabilization point it is natural to suppose that this capital is returning home and will be utilized in the markets there, thus further diminishing the demand upon America for foreign loans. Or if this capital does not return home the income from it will serve as a balance to these international accounts.

America Must Go Slow

FROM the point of view of the American investor it is obviously necessary to scan the situation with increasing circumspection and to avoid rash or excessive lending. I have in mind the reports that I have recently heard of American bankers and firms competing on almost a violent scale for the purpose of obtaining loans in various foreign money markets overseas. Naturally it is a tempting thing for certain of the European Governments to find a horde of American bankers sitting on their doorsteps offering them money. It is rather demoralizing for municipalities and corporations in the same countries to have money pressed upon them. That sort of competition tends to insecurity and unsound practice.

The American investor is an intelligent individual and can be relied upon to discriminate. Yet in the first instance such discrimination surely is the province of the banker who buys the goods rather than of the investor to whom he sells them. I may be accused of special pleading in uttering this warning. Yet a warning needs to be given against indiscriminate lending and indiscriminate borrowing. In this I think my banking friends generally will cordially agree.

Another point that American lenders may possibly have in the back of their heads is this: that many economists have of late been raising the question as to whether, when Germany's maximum payments under the Dawes Plan begin to fall due in 1929, she will be able to make the necessary transfers to meet them; and if not, what will be the solution of the situation that will arise. I may recall to you that the distinguished Chairman of this

dinner, when he returned from his performance of those very eminent services rendered in the devising and setting up of the Dawes Plan, pointed out that the Dawes Committee had never maintained that the Dawes Plan in itself was necessarily a final solution of the Reparations problem. It was manifest that the Dawes Plan furnished a bridge for the Allies and the Central Powers to cross over the great gulf that had been fixed by the continued and ever increasing dissension over the problem of reparations, a disagreement that with the invasion of the Ruhr almost threatened Europe with a fresh war. It has been pointed out many times that the great feature of the Dawes Plan was that it furnished a *modus vivendi*. It put the question of the Reparations outside of politics and gave the European nations time to settle down and pursue fresh methods of reconstruction and appeasement.

Until, however, Germany's ultimate liability has been determined the economists maintain that the Reparations problem will not have been finally solved, and as the time approaches when heavier payments become due from Germany to the Allies the question may come up in some form. For the long run the American investor will be satisfied to continue his loanings on a heavy scale to Europe only when he can feel that the whole question of inter-allied and inter-governmental loans, including the reparations due from Germany, has been settled equably and finally.

Europe Is Coming Back

EXCEPT for this question as yet not wholly solved, and with Russia so to say still in the twilight zone, Europe seems to be pretty well out of the woods. Certain of the statesmen on the other side, men of sobriety and judgment, experienced and schooled in the world of politics, declare that Locarno means the permanent appeasement of Europe, a new era; that while there may be occasional embroilments, even sporadic armed conflicts, there will never again be any great cataclysm on the continent of Europe; that within the lifetime of our youth war will have become as outworn as witchcraft, slavery and duelling. It is not inconceivable that Europe may some day become a great region of free trade as the United States is within its own borders. Such a development may take a long time in coming; on the other hand it may move much more swiftly than we imagine.

If it does we shall be able within a short span of years to witness a Europe restored, industrious, stable, peaceful, far stronger in every way than it has ever been in the past, with armaments vastly reduced, with swords beaten into plowshares, and with a future bright with promise.

It would be well for the American man of affairs to look forward to prepare himself to do business with a Europe of this sort. Off hand, one might say that industrial competition from a Europe so unified would be much more formidable than ever before. Yet such competition from a world across the sea, well ordered and at peace, is competition that America can well afford to welcome rather than fear.

The New Era Between Nations

THE CONGRESS of the International Chamber of Commerce to be held in Stockholm from June 27 to July 2 will be the fifth congress of the organization, the preceding ones having been held in Paris in 1920, in London in 1921, in Rome in 1923, and in Brussels in 1925.

Beginning with the representatives from the five allied and associated powers at the meeting in Paris in 1920, the organization has steadily expanded and at the Stockholm meeting there will be accredited representatives from forty-four countries, and aggregating between 900 and 1,000 delegates.

A Body of Reconstructionists

FROM the beginning the primary work of the organization has been directed towards the economic restoration of the world following the great war, and the work of each congress has been very carefully and systematically prepared with the purpose of contributing importantly to that objective.

This work divides itself automatically into two parts—first, the consideration of the great major underlying principles; and, second, the consideration of the details of operations upon specific efforts.

Following the Brussels meeting, the Council of the International Chamber decided that the next congress, which will be the Stockholm Congress, should give particular consideration under the broad survey of economic restoration. The important consideration in this is the question of trade barriers, and two special committees were appointed, one, the special Committee on International Settlements, and the second, the Committee on Trade Barriers, for the consideration of this all-important subject.

The Committee on Trade Barriers in turn was divided into seven sub-committees which represented the seven major elements to be considered under the heading of trade barriers, and the various national committees have sent to headquarters in anticipation of the congress their reports upon each subject.

The Committee on Trade Barriers has prepared its report from the reports of its sub-committee, and, on the invitation of the Economic Section of the League of Nations, has submitted a similar report to the Economic Section of the League, which convenes in Geneva on May 4. The subject is extremely comprehensive and has taken much time and thought of a large host of first-class and unselfish men and should be a very vital contribution to general education upon the subject.

The Stockholm Congress will, therefore, be obliged to pass upon this report of the Trade Barriers Committee and make such changes, if any, as the judgment of the congress may dictate. It will also be obliged to consider the resolutions of the Economic Congress of the League of Nations and to voice the opinion of organized business in the world upon the conclusions of that congress. The congress will also consider the active steps necessary to give

By WILLIS H. BOOTH

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effect to its resolution so that its work will not be spent entirely on the educational side but will be organized internationally so as to make it effective. Undoubtedly numerous suggestions will come from various delegates in regard to the work of the



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Willis H. Booth

Trade Barriers Committee, and these suggestions will have to be very carefully considered and submitted to the congress for its determinations.

In addition to the general work of trade barriers, which will come under the first designation of consideration of the fundamental principles, the congress will devote itself in its numerous group sessions to a very great many technical questions. There will be at least sixteen of these group sessions, and the group sessions in turn will be subdivided into special avenues of work, each under the chairmanship of a recognized leader, who has since the Brussels Congress two years ago been giving particular thought to the question in hand.

Under the Finance Department in these group sessions will be considered bills of exchange and checks, export commercial credits, double taxation (which is a matter of outstanding importance), and international settlements and their relation to world trade.

Under the general heading of industry and trade will come discussions on rules of conciliation and arbitration, protection of industrial property, the enforcement of

foreign judgments, and the question of international fairs and exhibitions.

Under the general designation of transportation and communication will be considered air transport, highway transport, rail transport, sea transport, including bills of lading and the Vienna Rules, and also international telegraph and telephone and other related questions of communication.

Under all of these headings special reports of very well trained and experienced committees will be submitted so that there will be no haphazard effort to reach quick and unseasoned judgments.

Past experience has demonstrated that at each congress the work is taken very seriously by the delegates present and that many valuable contributions are made from the floor, both in the group sessions and in the larger general sessions. The value of all of this work has very clearly proven itself. In the hundreds of committee meetings, all international in character, which precede the congress, no less than in the meetings of the Council or Board of Directors held every few months, and in the meetings of the congress, well trained and experienced men of all nations are enabled to work side by side in an effort to reach a basis for cooperative action that will be both possible and practical. The value of this work in addition to the actual determinations reached lies outstandingly in the intercourse and understanding which the contacts develop. We who have been privileged in the past to attend the meetings of the congress can well testify to the great value of the spirit and understanding which is developed by these opportunities to work together.

Some Active Nations

THE only commercial nations not active in the deliberations of the Chamber during the last seven years have been some of the states represented in the Pan American Union.

Certainly no countries are more seriously concerned in the economic welfare of the world than they. In the expansion and crystallizing of its organization during the past seven years the International Chamber of Commerce has moved quite as fast as it safely could. It has, however, within recent months purchased and become permanently located in its own building in Paris and its work is thoroughly and systematically organized under most competent management; its committees are made up of leading citizens of all countries represented in the Chamber, and it only needs to complete its entire world organization the allegiance of the countries of South and Central America, not now represented. In due course doubtless this will be accomplished.

No countries are ever pressed to become members, and no decisions, particularly in the Council, are ever reached except upon a unanimous basis, but the invitation is always extended to non-affiliated countries, and we hope that our ultimate objective of being representative of all of the world's nations may be accomplished.

What Is Our Goal in Foreign Trade?

By ROY D. CHAPIN

President, National Automobile Chamber of Commerce

IT IS the logical purpose of the International Chamber of Commerce to promote world trade on a sound basis. Outside of the selfish interest involved, expansion of world trade affords means whereby the standard of living of all peoples is raised, better education becomes more available, finer medical care becomes possible with its resultant prolongation of life, and in general greater individual happiness is achieved.

Commerce is the missionary that, in one form or another, ministers to these wants. The time has now arrived when an international viewpoint is necessary for the long-range future of our export trade. The last ten years have seen an enormous development of world producing and manufacturing capacity. Europe finds need of keeping its factories busier. We are lucky in the great volume of our domestic consumption but our productive facilities have outrun this and the next five years will see European and American manufacturers in a great struggle for world markets.

A New Conception of Selling

AMERICA enters this new era with an entirely different conception of manufacturing and selling methods than ever before. We are now aiming constantly at low selling prices and low profits per unit rather than high. Our evolution of this new policy has proven it so practical and helpful to our people that it has given us complete control of our domestic markets in almost all products. Europe is now heading toward mass production and is constantly sending its factory experts here to study our methods.

In the United States we have learned to spend money to make money. While we have done this our savings have steadily increased. We have turned many of the so-called conveniences and luxuries into new tools for the production of wealth.

At the present time we spend a billion dollars a year for American highways. Instead of being a drain upon us, these roads have turned into extraordinary arteries of commerce carrying people many more passenger-miles annually than do our railroads. Nevertheless they have proven a great supplementary force in bringing freight to and from the railroads. Highways are costly but it is cheaper to have them than not. So it is with our railroad mileage, the telephone and telegraph, and many other things.

Mass Selling, a New Force

MEANWHILE another great new movement has taken place. I refer to the trend toward mass salesmanship.

If mass salesmanship is a success in this country and the world markets of all industry must be expanded to keep the productive capacity busy, why not unite the mass salesmanship of the world?

Why should not our organized industries combine their efforts with European and other manufacturing countries to increase legitimately the world consumption? Mind you, this is entirely different from any

combination to divide up the trade of the world. Its purpose would be to enlarge world demand and keep all production facilities busy.

Mankind is just awakening to many of its needs. It is willing to work harder to satisfy them. This extra labor will supply the goods to pay for more of our products. International organization of each industry can point the way to greater world production and consequent consumption. The first incentive, however, must be the desire to consume. Otherwise why should a man labor at all or why should he become more efficient?

Greater consumption will mean not harder labor conditions but probably less hours of actual work. It simply will be more effectively accomplished. The time has arrived when the heads of our American industries can well meet with the leaders of their industry in other producing countries with the purpose of studying ways of increasing world consumption in their particular line.

Is this a selfish program? No; because the world can only buy as it produces more in each separate country. This means greater wealth and the immediate raising of living standards, surely the ambition of every father for his own family, whether in the Americas, Europe, Africa or Asia. Hence we are right in supplying the incentive to consume. Is not the rest of the world entitled to its full measure of prosperity? In uniting for this program we are cooperating with them to this end and without harm to ourselves.

I believe our great natural resources are a smaller factor in our present-day prosperity than is customarily thought. American manufacturing and business methods have created a wonderful consumptive demand. Money has been circulated more rapidly. The very size of our production and consequent competition is stimulating new ways of manufacturing that are better and cheaper.

Europe Has Greater Capacity

EUROPE has great productive capacity, but local markets are unwilling to buy in sufficient quantities, and world markets are relatively undeveloped. In the past two years we in the motor industry have seen a radical world increase in the desire to own motor vehicles. Other manufacturers have recognized the rapid growth in their demand. I believe that the average citizen of this sphere is just beginning to realize that there are many things he had thought beyond his ability to own which are worth his while to possess and he makes the purchase.

Within five years world trade under present conditions may be so highly competitive that it will be unprofitable for many manufacturers. Why not keep the present world producing capacity busy by

increasing world consumption and automatically adding to the wealth of all countries by so doing?

Why spend any of our appropriations for the advertising and promotion of export trade in a sales fight against the goods of other countries? This would only be wasteful and cause much bitter feeling. The results will be far more profitable if these funds and this effort are devoted to a joint stimulation of the demand for the particular goods involved.

It is very easy to say we can outsell and underbid Europe. However a safe margin of profit must always be kept in mind. Cut-throat competition means selling methods that make for hatred, profits are lowered or wiped away, and wages must come down. Individual happiness is surely not based on low wages, but rather upon a constantly higher standard of living and wages which permit this. Therefore, let us stimulate the world market on a cooperative basis, aid every one to a profitable volume of business and permit the payment of more than a living wage.

The fact of cheap labor in any country is often a disadvantage to it. Why not have the happiness that goes with higher living standards?

Cheap labor means small consumption of goods and usually results in small output. Muscle is no longer the modern measuring stick of a day's work. Instead, the use of power has greatly increased man's productive ability and correspondingly his wages have gone up.

High Wages Our Pride

IT IS a source of great pride to our industrial leaders that high wages are a natural result of our new manufacturing methods. Europeans come here now to study our factory operations. All great American plants have a steady string of visiting industrialists from Great Britain, France, Germany and other producing countries.

We have welcomed them, for prosperity in Europe will be greatly aided by the most efficient method of manufacturing. With consequent lower prices of products, the volume of European consumption will increase and greater individual contentment result.

We have proven it feasible to purchase goods on credit. The great rise in installment selling has given evidence of the inherent honesty of our people and has afforded an increase of consumption that has again reduced manufacturing costs. The world as yet has not been organized for credit extension on the instalment basis. It is a field where, if sound and experienced policies are instituted, international mass salesmanship can help greatly in widening world demand.

American business men cannot do this alone. Neither can Europe. Let us combine with Europe for the benefit of our export trade as well as theirs. With the funds derived from this increased trade, in turn we will buy directly or indirectly from the countries which buy from us.

The New Era From Four Corners

As It Looks to New England

By JOHN S. LAWRENCE

Lawrence & Company, Boston, Massachusetts

I HAVE BEEN asked to speak regarding the industrial problem affecting the eastern section of the United States. As the conditions with which I am most intimately acquainted are those of New England, I shall speak in particular of that part of the East, but in telling you something of the problems of today in New England, I believe I shall be giving you a glimpse of the problems of tomorrow in other eastern states and in even more distant areas.

Many of us feel that the problems New England faces today arise from the fact that New England, to greater degree than any other section of our country, has reached the stage of "industrial maturity."

Birthplace of Trade

AS THE birthplace and first home of the factory system in America, it is the first section to experience, in notable degree, the conditions that come with carrying the assets and liabilities of long-established and in some instances antiquated business methods into a modern era. It will not, however, be the only section that will have to face those conditions. That is why far-sighted men in other parts of the United States are manifesting a lively interest in what is going on in New England just now, feeling that our problems will sooner or later be their problems, and that they can profit in the future by our present experience.

I use the phrase "industrial maturity" to define a condition where an extensive industrial development, created and built up under the economics of a previous period, is forced to meet competition based on modern invention, new methods of production and distribution, and a greatly altered economic environment. The mill or factory located wholly with reference to a small water power, and in relation to the transportation and markets of our Civil War period, obviously has a problem different from that of the modern factory established on the basis of the economic reasons of today and not those of seventy-five years ago.

A great industrial property, ownership of which has, in the course of human events, become vested in trustees, presents a different problem than does the new pioneering industry controlled by young men with all to gain and little to lose. The community that has come to take for granted the prosperity of its industry, upon which its existence depends, because its present inhabitants cannot remember when its brick walls were not there, offers a dif-

ferent problem from the young community whose present inhabitants have seen industry in the making. Preserving industry is a matter different from creating industry.

To diagnose an industrial condition is to take a long step towards its cure. For New England, where I have been active in a clinic, I am able to describe to you the

THESE United States, politically one nation, could be carved into half a dozen separate empires as great in size and economic importance as most of our commercial rivals put together. As a unit, these States are too great in extent to survey as to business conditions, yet comprehensive knowledge is of vital concern to producer, carrier and seller.

As the Chamber of Commerce of the United States is divided into four great divisions, one for the northeastern part, another for the South, another for the Midwest and one for the far West, a business expert from each was asked to present to the full assembly of the Chamber a report on how the present status of business looked to him, and to forecast the immediate future of conditions in his territory.

treatment and hold out the liveliest hopes for the patient's early recovery.

Two years ago we were concerned over the effect upon our own people of the pessimism about New England that reached us from both within and without. Today we are not only encouraged but confident. What has happened?

Some Removals Are Real

SOME of the eliminations and removals that you were reading about as threatened two years ago have taken place. But the losses have not been nearly so great as were predicted and they have been more than offset by gains in other lines. Today those plants, as weak units in our industrial structure, are generally earmarked by the executives, but not as yet so clearly recognized by the public. They are being mentally charged off, or selected for revitalizing if they have in their structure sufficient economic margin to justify this procedure, and our prosperous units are emerging like ships from the drydocks, repaired, refitted with new rigging and sails, some with new captains and crews, but with their old names known the world over.

It is not only the survival of the fittest; the refitted shall also survive. Our well-known Boston & Maine and New Haven Railroads suffered post-war depression more severe than that experienced by American railroads generally. The sale of their shares at one-twentieth of their former conserva-

tive investment values was advertised to the world as a barometer of New England conditions. Today they have recovered to around \$50 a share, or one-quarter of their old value, and are making good progress. Their executives are today actively and consciously shaping the policies of those railroads to the present conditions and future needs of New England, realizing that their future and ours are one and the same thing.

The population of New England is increasing. One of our states shows a 23 per cent gain in six years, and the average for all is about 10 per cent. New England has but 7 per cent of the population of the United States, but is turning out more than 11 per cent of its manufactured goods. For twenty-five years New England industry as a whole has employed more people and done more business each year.

Our fears of two years ago were based upon the lack of cooperation among both the states and the business interests of New England; on our lack of realization that New Englanders, like the northern peoples generally, because of climatic conditions, have always had to work harder, and direct their effort more intelligently, to provide themselves with food, clothing, shelter and the good things of life; and, also, on the widespread failure of our people to realize that they had settled into habits of action and thought which were not modern nor adapted to our present conditions.

We found we had been trying to deal with these conditions only by ignoring them and pretending, perhaps, that they did not exist. Two years ago, however, we established our clinic, and began discussing ourselves among ourselves, frankly, and in public. As usual in such cases, our weaknesses obtained most publicity, and our little troubles received almost national prominence. We are glad that such was the case, for what becomes a matter of public knowledge, as opposed to common but private information, cannot be ignored. Public knowledge, therefore, is the first requisite to a cure. It is to an industrial malady what sunlight is to a physical ill. Because of our unlimited confidence in the ability and capacity of our people to solve their problems and overcome their difficulties, once their determination is aroused, we could afford to have the limelight thrown for a time upon the less favorable aspects of our situation.

Governors Given Praise

WE ARE indebted to our governors for their leadership and cooperation in bringing New England interests together for action. They were responsible for the calling of an old-fashioned town meeting, held on a New England-wide scale, in which all the agricultural, commercial and industrial

organizations of New England were invited to participate. There was thus created the New England Council, a body of 72 men, 12 from each of the six states.

Their job is to serve as a stimulating body and a coordinating agency for New England's economic interest groups. A chief part of their task is to uncover and broadcast the facts about our New England situation. They are encouraging individual interests to learn for themselves what others in their field are doing elsewhere, and improve upon it; to develop what is economically successful, to discard what is old-fashioned and ineffective. The Council has given New England its first common forum for open discussion of its progress and affairs.

Our nation needs a prosperous New England as it does a prosperous north, south, east and west. It needs the solution of the problem of industrial maturity. It is our

intention to provide both for the country.

New England is proud of her past in the nation, of the Yankee spirit and the part it has played in the development of our country. That heritage belongs to you quite as much as to us, for many of you here came from New England. But we are not contenting ourselves today with resting on our past. We are newly awakened to the fresh opportunities before us, and to the rewards which will rightfully be ours.

We stake our faith for the future on the value of the services we shall render, on the high quality and intelligence of our people, on the irresistible force that comes when highly developed individualism is harnessed into full and complete cooperation, and, finally, on our leaders, many of whom have become your leaders. Bunker Hill belongs to the United States—and so does Calvin Coolidge.

The Southern Viewpoint

BY GEORGE H. BALDWIN

Vice-President and General Manager, Commodore Point Terminal Company, Jacksonville, Florida

THE South's interest in and dependence on the great problems confronting this nation and the world today are as vital as that of any other section of our country.

The market for and, therefore, the value of our cotton, naval stores and other farm and forest products, as well as those of our rapidly growing manufacturing enterprises, depend on world markets, and, therefore, on the rehabilitation of European currencies, the setting up of stable governments, and the establishment of some agency through which public opinion over the world can be so forcibly expressed as more and more to minimize the recurring dangers of war.

What Interests the South

WE ARE most vitally interested in the establishment on a permanent basis of our merchant marine, privately owned and operated if possible.

The development of our resources in the South is just as dependent as that of other sections on the encouragement which our Government gives capital to invest in business enterprises.

A curtailment of the demands of those with large income for tax-free bonds must be brought about to see these funds again freely invested in productive enterprises rather than in tax-free bonds. All national problems are just as vital to the people of the Southern States as to those of any other section of our nation, and in the last ten years there has been a great awakening to this fact, and a quickening of interest in national and world affairs throughout the South.

The early history of our country saw the Southern States develop rapidly in wealth, because of the enormous advantages they had in climate, rich soil, and cheap labor supply. Many of the very early railways of this country were in the South. But the close of the war between the States left the South with its wealth and its educated

man power nearly exhausted, its railways physically run down and bankrupt, and its economic structure entirely disrupted.

This left immediately facing the people of the South two great problems, which still loom large today in our commercial development; one, of creating from our own resources of forest and soil, or attracting from the outside adequate capital for this purpose; and the other, working out the relationship between the white and the negro races, which largely constitutes the labor problem of the South.

I could not attempt in the time allotted to me here to trace in detail through the many years of hardship, privation and vicissitude, the spirit of optimism and faith shown by the leaders of the South, nor the means by which their problems have been partially met in the past, but will try to give you a brief picture of some results attained, together with what is needed and being done today.

From Richmond, on the northeast, almost to Birmingham, the enormous potentialities of the water powers available have been realized, partially developed and connected with each other, through a broad belt of territory, which has been rapidly taken up by manufacturing industries using the cheap hydro-electric current as power, and using the pure Anglo-Saxon population, American born and American bred in American ideas, for their labor.

Finishing the Raw Product

CHIEF among the industries of this section is, of course, the turning of cotton into manufactured articles of commerce. In Virginia and North Carolina large additional sums have been invested in the plants to manufacture the tobacco grown in large quantities into cigars, cigarettes, and other manufacturing industry second only in production to Grand Rapids, Michigan. Except in a small way, outside capital has developed most of the water powers and built most of the cotton mills, tobacco and

furniture plants. The district around Birmingham, rich in its minerals and coal, has astounded every one in the development of these resources. Great manufacturing plants and mines have come into being, until today Birmingham produces four million five hundred thousand tons of steel and iron, and twenty-five million tons of coal and coke each year. This development again has been largely carried out by outside capital.

The short-line railroads of the early days of the South have been gradually purchased and consolidated into the great trunk-line railway systems of today, with many miles of new main line or branches, built again, however, by outside capital.

Outside Capital Active

OUR LARGE sawmills, fertilizer factories, cotton-seed-oil plants and other miscellaneous industrial enterprises have also largely been built by other than southern capital.

When these projects were first recognized as possibilities there were no aggregations of southern capital large enough to carry them through, nor any agencies in the South through which capital of many small investors could be joined. It was necessary, therefore, for the men of vision of the South to come north and northwest to enlist the interest of outside capital. Consequently, the policies of the major portion of our larger industrial plants, transportation and public utility companies, have been and still are dictated by non-residents. I do not mean for any one moment to intimate any criticism of those who have dictated these policies; on the other hand, we of the South are more indebted to the broad-visioned capitalists who have made possible this development than most of us today realize.

The partial realization of this debt, however, is shown by the fairness of the laws of most of our Southern States to outside capital. I need only mention the names of Flagler, Plant, Warfield and Walters to show the type of outside leaders who have done so much for the development of the South.

The capital of the South, being in small units, was used up to comparatively recent years in partially rehabilitating its farms and plantations, in the production of naval stores from its pine forests, and in small factories and other projects local in nature.

This outside capital being expended in the South has assisted our own people in gradually accumulating capital and in forming it into groups and associations of sufficient size to handle increasingly large financing of our own, and our banks have in the past ten years assembled their own clientele of small investors.

To see that this latter growth has been rapid of late years, one has only to glance at the bank deposits of the six Southern States in the Sixth Federal Reserve District, which have grown from 447 million dollars on June 30, 1914, to two billion, 303 million dollars on June 30, 1926, and bank resources have increased proportionately.

Instead of depending entirely for our industrial growth on being able to interest outside capital, we have progressed to the point where we are now able to finance reasonably sized projects ourselves, and

now we have outside capital of its own volition, studying the opportunities in the South and making investments in conjunction with our own people and financial institutions, instead of our having always to go and seek it.

Our farming before the Civil War was done on large farms under able direction. In 1850, the Federal census placed Georgia first among all the States of the Union in her personal property assessed for taxation, Massachusetts second, South Carolina third, Alabama fourth and New York fifth. Most of this personal property in the South was in farm accessories and slaves, which latter were estimated to be of about one billion dollars in assessed taxable value.

Farming after the Civil War was gradually started again, but in small units, and in most instances under relatively unintelligent direction, a great deal of it by tenant

farmers having no interest in the land, its proper use or conservation. This led to the rapid deterioration of the land and the planting of one crop—cotton.

This made large areas of our section of this country utterly dependent on the quantity of cotton raised and the market prices received. When anything happened seriously to decrease either of these, financial disaster followed in its wake.

The gradual building up of the individual capital of the southern people has made possible the swinging back of the pendulum of southern agriculture towards the large farm, intelligently operated, or even the small farm worked by its owner, the elimination of the tenant farmer, and through these conditions and diversification of farming, so that no drop in market price of one commodity does the injury that used to follow.

On Behalf of the Midwest

By SILAS H. STRAWN

Chairman of the Board, Montgomery Ward and Company, Chicago

THE TROUBLES of the farmer are so well known that I need not take the time of this assembly to describe conditions now existing in the Middle Western area. That there is much distress none can deny. It is a matter of common knowledge that the farmers are not enjoying the almost unprecedented prosperity that prevails in industrial centers of the country. Today thousands of farmers are struggling to save their farms and homes from foreclosure. The trouble which began in 1920 still persists in the Central and Western States and in the cotton-growing states of the South. This is not the time or place to discuss so large a subject as the plight of the farmer but the situation as to him in the Middle West may be summarized as discouraging.

The Status of Livestock

LIVESTOCK conditions may be summarized as follows:

1. The 1927 beef tonnage will be substantially less than that of 1926, owing to partial elimination of mature cattle. In numbers there may be as many cattle as last year, especially if present prices endure, because feed is abundant and cheap and there is every incentive to reinstate cattle in feed lots and fill pastures.

2. In any event there will be a big shortage of heavy cattle this year.

3. The corn belt is carrying as many light cattle as a year ago, probably more.

4. High current prices are attracting cattle to the market, whereas, at this time last year unsatisfactory market prices plus an abundance of cheap corn of excellent quality held cattle back to put on weight. There are probably 10 per cent less cattle in preparation for the butcher east of the Missouri River, than in the corresponding period in 1926. The bulk of them are light cattle of 1,000 pounds and less. Not to exceed 25 per cent of the heavy cattle of a year ago, meaning steers weighing 1,300 pounds or more, at the market are in sight.

This does not indicate that there is to be a cattle shortage. Cattle will be shipped in larger numbers instead of in better quality.

The larger and stronger banks are continuing to enjoy prosperity as indicated by the increase in the market value of their stock. Conservation is being manifested in the extensions of loans, especially to borrowers who are engaged in financing installment plan business. Some of the smaller banks in the agricultural districts which have had frozen credits are finding it more and more difficult to continue doing business. Bank failures, therefore, have continued to take place to a considerable extent. Money is easy and there is every indication that it will continue to be so for some time to come.

The agreement between the United Mine Workers of America and the mine operators made at Jacksonville, Florida, in 1924, expired March 31, 1927. No new agreement has been reached. The result is a general suspension which took place on April 1 in Western Pennsylvania, Ohio, Indiana, Illinois, and Iowa. Since then small mines in Indiana with a total daily capacity of 1,750 tons have resumed operation under a temporary agreement with the miners. In addition, eleven small mines in that state with a total capacity of 4,300 tons operated by all non-union or cooperative employees have resumed operation.

Mines Down in Illinois

IN ILLINOIS, all mines are down except those of the Bunsen Company (United States Steel Corporation producing coal for the use of the steel company), the United Electric Coal Company, two strip operations, one at Cuba and one at Danville, Illinois. There are also two small mines in operation, one at Odin and one at Centralia, Illinois.

No one can predict the outcome of the present controversy. It is obvious, however, that the future condition of the coal industry of Indiana and Illinois depends

almost entirely upon the cost of the production as related to the cost in non-union areas.

The latest available cumulative figures on orders received from customers in Illinois, Iowa, Kansas, Michigan, Missouri, Nebraska, Ohio, Indiana and Wisconsin show decreases ranging from 6½ per cent, in Wisconsin, to 34 per cent in Ohio.

Indiana and Minnesota are exceptions, Indiana being 1 per cent and Minnesota 10 per cent ahead of last year. In cash receipts the Middle West territory is showing a small increase, especially in the St. Paul district.

So far this year business has increased in women's wearing apparel, knit goods, underwear, paints, wall paper, sporting goods, plumbing, heating and farm implements, and decreases are experienced in radios, automobile tires, hardware, musical instruments, silk fabrics, men's and boys' clothing and groceries.

Speaking generally with respect to the mail-order business there are definite signs of its picking up and with a distinct tendency on the part of the customers to economize.

The wholesale dry-goods business has not been as good for the first quarter of this year as it was last, due particularly to a further extension of hand-to-mouth buying and partially to the fact that retail business throughout the territory does not seem to be so good. Merchants in smaller places, especially in the agricultural districts, are reporting great difficulty in keeping up with a year ago. The larger cities, however, are reporting good retail business. Retail merchants seem to be convinced that prices are more likely to go down than they are to go up and they are probably justified in this belief.

Wholesalers Optimistic

WHOLESALE merchants are optimistic in the hope that they will enjoy a steady normal business for the balance of the year. There is, however, always in the background the fear of overproduction. As is well known, war conditions created a productive capacity in excess of the demand in all industries. Retail merchants are conscious of this condition and therefore are cautious in their buying.

Conditions in the manufacturing district in the Middle West are not quite so good as the manufacturers would like to see them. Especially is this true of some of the smaller manufacturers. There is considerable encouragement in the fact that building activity continues throughout Illinois, thus affording employment not only to mechanics at exceptionally high wages, but also keeping busy the plants which are manufacturing brick, tile, cement, lumber and other building materials.

March estimates fix the cost of buildings under construction in thirteen principal cities in the State of Illinois at about \$54,000,000 or an increase of more than \$15,000,000 over February, and a gain of a little more than \$14,000,000 over the corresponding month of 1926.

There is considerable decline in the manufacture of railroad equipment. The number of cars ordered for this year is very much below normal.

Furniture manufacturers show a reduction in business, and a still greater reduction is shown in piano manufacture.

Retail furniture dealers, especially installment houses, report poor business.

Seasonal decline on the part of men's clothing manufacture are checked by considerable improvement in women's clothing. There are also increases in the textile group, particularly in establishments manufacturing woolen and cotton goods.

The net operating income of the railroads of the Northwest up to February 28, 1927, was \$3,450,623 less than for the corresponding period of 1926. This change in the operating income of the railroads was reflected

in an advance in the operating ratio from 82.56 per cent in 1926 to 85.25 per cent in 1927.

I have endeavored to summarize briefly the conditions in the more important branches of business and industry in the Middle West.

Speaking generally it may be said that notwithstanding uncertain conditions in many lines of business and industry, the situation as a whole is favorable. The continuance and volume of the recent rains is alarming but with normal weather conditions and good crops a satisfactory volume of business in the Middle West may be expected for 1927.

The Word on the Far West

By HARRY CHANDLER

Times Mirror Company, Los Angeles

THE problems of the Pacific seaboard are problems of realization rather than of execution. In many respects the development of the great area lying between the Mexican border and the Canadian line is but little past the pioneer stage. And because of the extent and diversity of its natural resources and the wide range of its climatic conditions and topography, these problems are perhaps more numerous and varied than those which have attended the initial development of any like area.

The West Is Still Young

FROM the modern commercial and industrial viewpoint the West is young. Most of it has little more than fifty years of actual business history behind it; a great deal of it has considerably less. Enormous areas have been put under cultivation, yet there are still vast stretches of fertile, virgin soil. The West has produced and is producing immense quantities of valuable minerals, yet there are still untouched great deposits of coal and ores and oil. The gigantic reclamation project of the Columbia River basin and of the valley of the Colorado offer as rich rewards to the hardy pioneer today as any in the history of the West. The development of hydro-electric power, perhaps our greatest natural asset, has hardly more than begun.

Forces beyond our power to control or to direct are setting the stage on the shores of the Pacific of a new theater of world events. The centuries-westward march of Aryan achievement has ushered in what for want of a better term may be called the Pacific Era. The front door of America will ultimately be on the Pacific, whose eastern and western shores are formed by lands just coming into the world's spotlight in its onward sweep from East to West.

Stirring from Dormancy

OVER the rim of the Pacific half the population of the earth is stirring from a dormancy of centuries and moving forward toward modern standards of living. Our trade with Asia in the twelve months of 1926 equalled the total foreign commerce of the whole United States in 1900. What this commerce will become with the modernization of the Orient's hundreds of millions and the development of her immense

resources can only be conjectured. Through the Pacific ports America will supply the multitudinous and varied wants of the waking nations of the new Far East as western Europe supplied the wants of eastern America during the latter's early development—and with similar commercial results.

Recently at Salspuedes, Mexico, there was set up a milestone in the history of the development of the West with the inauguration of through railroad service from the Pacific Northwest to the City of Mexico by way of our largest cities. This achievement, accomplished through the bridging of the gap at Tepic between the Southern Pacific of Mexico and the Mexican National Railways, is comparable in its potentialities with the first coming of the iron horse to our own West. It means the direct linking of one of the richest agricultural areas in the world, with metropolitan markets for all its output. It brings Mexico as a whole into closer contact, social, commercial and industrial, with the United States than ever before and multiplies business opportunities throughout its length.

A Spur to Progress

IN HER new policy of self-determination and self-government this new great artery of commerce and travel will be to Mexico a spur to progress. To the Pacific United States it will be another outlet for what it has to sell the world.

Like every section which experiences an extremely rapid growth of population, the Southern portion of the Pacific seaboard has been put to it to balance its census figures with a commensurate rate of industrial growth. Parts of this area have established new world's records for numerical increase and populations have been attained which would be economically impossible of maintenance save for an exceptionally favorable background of natural resources and industrial potentialities.

Militating against rapid industrial development has been the great distance separating this area from the old established markets of the East. On the other hand it has been favored by an unusual number of advantages, among which may be mentioned cheap power, cheap fuel, a year-round outdoor climate, close proximity to immense stores of raw materials and a labor

supply which, long maintained on an open-shop, fair-wage basis, is singularly free from the unrest which serves to cut down industrial output in many manufacturing centers.

The long-haul handicap has been more or less satisfactorily overcome by the development of water-borne commerce. Los Angeles harbor is now second in the country in point of ocean-going tonnage and the tolls paid by Los Angeles commerce through the Panama Canal are sufficient of themselves for the upkeep of that interoceanic waterway.

A large part of these shipments are of petroleum and its derivatives, the production of which constitutes one of the major industries of the region. The Pacific Southwest now produces roughly one-fourth of the whole world's supply of petroleum, which last year totaled 1,080,000,000 barrels, of which 223,000,000 came from California. A few years ago most of this oil was shipped in the crude form, but latterly a number of large refineries have been established, partly to meet the constant problem of large flush production.

The raw materials of industry are present in quantities far in excess of the requirements of the industries so far established, notwithstanding that the latter have increased some 300 per cent in the past ten years. This has resulted in a large export trade in copper, of which the Southwest produces 42 per cent of the output of America, and wool, hides, borax, cotton, etc. One of our great problems has had to do with the fact that for years we bought back our own raw materials in fabricated form at, naturally, a very large cost-increase plus freight from the Pacific coast to Eastern manufacturing centers and back again. That we are doing better in this regard is indicated by the fact that last year the three Pacific Coast States, with a population constituting 5.74 per cent of the total population of the United States, produced 5.59 per cent of the country's manufactured and mineral products as well as 6.41 per cent of the total crops and of animal products.

Because so considerable a fraction of our territory is semi-arid our greatest primary problem, so far as these regions are concerned, has been that of water. The development and conservation of our water resources has had two very important collateral results—a tremendous impetus to the creation and use of hydro-electric power and the establishment of a scientific system of reforestation for our watersheds.

There is none here who is not in greater or less degree familiar with the plans for the control and development of the Colorado River for the fivefold purpose of water storage for irrigation, reclamation and domestic uses, flood protection of Imperial Valley, power development, desilting, and equating the river's highly variable rate of flow throughout the year. No discussion of the problems of the West would be complete without mention of this, by long odds our biggest and knottiest question. It is not possible to do more than mention it, yet I cannot refrain from here reiterating my long-standing conviction that the Colorado River question will be settled when—and not before—it is taken out of politics.

American Business Goes on Record

*Resolutions adopted by the Fifteenth Annual Meeting
of the Chamber of Commerce of the United States*

The fullest measure of our sympathy is extended to the people of the Mississippi valley who are suffering from the greatest flood disaster in the history of the country. With sympathy we join our admiration for the courage and the resourcefulness with which these Americans are meeting the unprecedented conditions by which they are surrounded.

Mississippi Valley

To the American Red Cross and other organized agencies which are now meeting the problems of immediate relief we pledge our support and urge upon all of the members, and all of the people of the country, immediate and generous response to the appeal of the President of the United States for funds. These agencies should likewise undertake the solution of the problems of reconstruction which are urgent and which should have the same support from the people.

Together with these immediate problems of relief and reconstruction the country faces the task of attempting to assure the people of the Mississippi valley against further flood disasters. This task presents problems of the greatest magnitude. In solving these the Federal Government should take the leadership and assume the responsibility, with all the appropriate assistance from the regions involved. The President of the United States has moved quickly to mobilize the Government's agencies which have experience and information with respect to the problems of the Mississippi and tributaries, and has placed at the head of the Government's activities in developing the plan the Secretary of Commerce, in whose devotion and ability, and in those of his associates, we have the utmost confidence.

The size of the task which is before the country and the importance of arriving at a program which will assure, so far as is humanly possible, a permanent solution make it appropriate that the President of the United States should enlist the best engineering and economic ability and experience that the country affords to advise him with respect to the larger factors which will necessarily be involved.

The Chamber of Commerce of the United States should have an able committee to consider the suggestions which may be made from all sources, private or official, and make to its Board of Directors any recommendations which it may consider appropriate for Chamber action. Meanwhile, we extend to the people of those affected areas and to all agencies concerned with immediate problems of relief and reconstruction, and the responsibility of planning for the future, the fullest cooperation and the services of all of the Chamber's facilities. It is our hope and belief that when the President's program is developed in such a manner as we have suggested it will

be immediately accepted by Congress and made a subject of legislation directed solely to the protection of the Mississippi valley without complication on account of conditions elsewhere.

The United States Chamber of Commerce, fully recognizing the basic importance of agriculture to the nation and desiring to assist in solving the problems of this all-important industry, has given its aid in establishing a commission to survey all of the various phases of our agricultural problems and to prepare a report with recommendations. This commission is known as the Business Men's Commission on Agriculture, and is composed of outstanding business men of all sections of the country under the chairmanship of Mr. Charles Nagel, of St. Louis.

Hearings extending over a period of several months have been held with farmers and producers in various sections of the country. Executives of the departments of the Federal Government have been heard, extended conferences have been held with Secretaries Hoover and Jardine, and with transportation executives, bankers, and distributors. Other authorities on forestation, land settlement, finance, immigration, tariff, education, and communication have been heard. All of this testimony, transcribed, is now being reviewed and digested, and the report should be forthcoming within sixty days.

Other resolutions on agriculture presented at this annual meeting should be considered by the Board of Directors of the Chamber of Commerce of the United States together with the report of the Commission, and there should be no further commitment on agricultural policies until the Commission's report and recommendations are received.

A proper fiscal policy requires that federal revenues and expenditures should substantially balance. Surpluses so large as those realized by the Federal Government in recent years necessarily mean that there is being taken from taxpayers more than is necessary to meet the current expenses of the Government.

Retirement of the national debt is proceeding and in an orderly manner through the operation of a sinking fund and a sound policy of devoting to debt retirement the payments received from foreign governments on account of their debts. If more rapid retirement of the national debt should be deemed advisable definite provisions should be made for the amounts and they should be properly budgeted.

In view of the large surplus again accumulating in the Federal Treasury it is timely and appropriate to reaffirm the

earlier declarations of the Chamber that the corporate income tax should be substantially reduced, that the federal estate tax should be repealed and this source of revenue left to the states, and that the remaining war excise taxes on particular business should be abolished for the reason that the inequalities they involve are no longer warranted.

Both sound fiscal policy and equity to taxpayers require a reduction in the tax upon corporations. It is unsound for the Federal Government to rely upon one source for so large a part of its revenue as it is now obtaining from the corporation income tax. The result is that the Government's revenues are necessarily affected by changes in business conditions. The present rates of federal tax upon corporate income are so high that they are inequitable in comparison with the rates upon individuals, unfair as an excessive indirect levy upon the great body of stockholders, and essentially unjust to business transacted in the corporate form, because of the weight of total taxes now accepted by federal, state, and local governments.

The law, rulings, and practices with respect to administration of federal taxes should now receive thorough revision. At every point administration should be systematized and simplified.

Tax

Administration This reform is necessary in order that taxpayers may be free from uncertainty as to their taxes, delays in obtaining information, and the harassment that now frequently occurs.

Congress has made provision for an investigation into the administrative features of the internal revenue system. It has created a Joint Committee

Congressional Joint Committee

and this Joint Committee now has the assistance both of its staff and of other expert advisors. We welcome the creation of this Joint Congressional Committee and express our hope that its opportunity for usefulness in the public interest as well as in the interest of taxpayers may be fully developed. The Chamber urges that business men and their organizations place before the Congressional Committee the defects which they have found in the present law and its administration, and suggestions for improvement.

Increases in state and local taxation have more than offset reductions in federal taxation. Efficiency and economy in state and

State and Local Taxation

local governments are of direct concern to business men and their organizations. Local organizations of business men, because of the business experience in their membership, are

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Lewis E. Pierson, newly elected president of the United States Chamber of Commerce, distinguished alike as a banker and as a leader in organization work. Mr. Pierson at fifteen entered the service of the Hanover National Bank and at thirty-three was the head of the New York Exchange Bank. Two years later he became president of the Irving National Bank when the two merged. He is now Chairman of the Board of the successor bank, the American Exchange Irving Trust Company. Always interested in the work of the American Bankers' Association, he was elected its president in 1909. He has been vice-president and chairman of the Executive Committee of the Chamber of Commerce of the United States.

Judge Edwin B. Parker, the new Chairman of the Board of Directors, born in Missouri, lawyer in Texas, and from America's entrance into the war a servant of the public. He was a member of the War Industries Board, serving as Priorities Commissioner. At the signing of the Armistice he went to Europe as chairman of our Liquidation Commission to dispose of American surplus war materials. He took up again the practice of law, but four years ago came once more to Washington as umpire of the General American Mixed Claims Commission, a post which he has since held. He has long been active in the Chamber of Commerce of the United States as a member of some of its most important committees.

in a position to exercise sound judgment in the solution of their fiscal problems.

Because of the opportunities for usefulness offered by activities in the field of state and local taxation, the National Chamber and its organization members should continue their active interest. In order that the benefits which accrue from cooperation may be realized the organization members are urged to take advantage of the facilities afforded by the National Chamber.

To a number of situations arising under the immigration law there should be immediate attention. We believe that imposition of the head tax upon travelers and tourists causes hardships

which are unnecessary, and advocate amendment of the law to permit entrance into the United States of travelers and tourists who remain for no more than sixty days without the payment of this tax.

Humanitarian considerations cause us to urge that children of American citizens, when the children are between eighteen and twenty-one years of age, the parents of American citizens, when the parents are over fifty-five years of age, and widowed mothers of American citizens, regardless of the age of such mothers, should be admitted to the United States regardless of the quota.

We think it inappropriate to extend the principle of the quota to Mexico and we believe that, for the proper administration of the immigration law, immigration visas

should be treated as separate and distinct from passport visas in the discussions which may occur with foreign governments respecting passport visas.

We view with grave concern and are opposed to proposals that the Government should enter upon a new program of building merchant ships and are opposed to Congress placing added restrictions upon the authority of the Shipping

Board to dispose of ships to private parties. Such a policy as proposed is against the public interest and national welfare.

The Government has already sold many of the principal trade routes and these are being successfully operated under private

Merchant Marine Policy

Immigration

ownership. Additional shipping services needed for the development of the nation's foreign commerce can also be transferred to and successfully maintained by private enterprise through trade route and mail contracts let whenever possible on a competitive basis.

The explicit statement made before the Transportation session of the Chamber of Commerce of the United States on May 4, 1927, by Chairman O'Connor of the Shipping Board, that the Board does not contemplate the investment of public moneys in new ship construction, and his clear statement at that time that the Board is determined to dispose of all ships and trade routes to private enterprise at any sacrifice, if with reasonable assurance of continued service on those routes, accord with the adopted principles of the Chamber, and at this time it is necessary only to impress upon the Shipping Board the need of energy in placing this shipping in private operation and with such support as is necessary to make private operation effective.

We urge the elimination of all wasteful practices and trade abuses by the formation in each trade of a joint trade relations committee composed of representatives of every branch of trade. Such committees should seek out and define trade abuses and cooperate with the Federal Trade Commission in their elimination.

The work undertaken by the American Law Institute under the auspices of the American Bar Association, looking to a reformation of legal procedure throughout the United States, is endorsed and approved, and the support of the Chamber of Commerce of the United States should be given to such movement in every effective manner possible.

Experience has definitely demonstrated that the present scale of postal rates is not on a reasonable basis and is resulting in considerable harm to various users of the mails and therefore to the public in general.

These facts have been brought out at the various hearings before the Post Office Committees of Congress, and the Postal Service Committee of the Chamber has rendered a report which shows clearly that a revision of postal rates should be made as soon as possible.

There has been a more or less generally accepted idea that the receipts from the postal service should fully cover all of the costs of that service. This is contrary to accepted business principles and overlooks the fact that efficiency and adequacy of the service should be the first consideration. It also overlooks the fact that Congress, in its wisdom, has seen fit to use the postal service for carrying out of governmental policies by the granting and extending of "free" or "less than cost" services.

In the making of postal rates, applicable to purely commercial business, the following elements should be fully considered:

First, the cost to the Post Office Department of the handling of "free" or "less than cost" matter; second, the rates should be so made as to encourage the further use of the postal service and thus reduce the units of overhead expense; third, the rates should be made on the different classes with due regard to the character and value of the service and the conditions under which it is performed in the same manner as rates are determined by the Interstate Commerce Commission for the transportation of freight and express.

The net cost of these governmental policy services should be charged to the general Treasury in the same manner as the cost of services of the other governmental departments, and thus eliminate from one of the biggest businesses in the world the present unfair and discriminatory method of making the users of commercial mail pay for governmental policy services. If such an adjustment of rates had been made and proper accounting rendered for governmental policy services, the last annual report of the Postmaster General would not have shown a deficit.

Street and highway traffic continue to present problems of great importance to business and the public. Accidents are still on the increase. Tremendous annual losses continue from congestion, delays and other causes arising from inadequacy of traffic facilities. Unceasing vigor should be applied to remedy the situation. The comprehensive program of principles developed by the National Conference on Street and Highway Safety, representing the consensus of the best opinion, should have the active support of all. The several state legislatures should bring about nation-wide uniformity in traffic laws. State and municipal authorities should make the traffic laws effective by carefully developed supplementary regulations and vigorous, even-handed enforcement. Commercial organizations should support uniform legislation, encourage enforcement, and exercise leadership in citizen cooperation with the public authorities in working out the solutions of their local traffic problems.

Insurance, being a method of distribution of individual economic loss and indispensable to commerce and industry as well as to the people generally, is a proper subject of state legislation and regulation. The state is concerned, in the public interest, with the maintenance of the solvency of the insurer as well as with the observance of the broad principles under which equitable treatment may be obtained by all users of insurance.

Effective state regulation demands competent and adequately compensated officials conversant with insurance principles. These state officials should, at public expense, cooperate with the like officials of other states to bring about desirable uniformity in legislation, taxation, solvency tests, rating systems, classifications of standards, uniformity of returns, licenses and investments.

Rates for insurance should be predicated

upon systems of charges for unfavorable elements and credits for favorable elements or conditions to the end that such rates may be uniform and non-discriminatory as between risks of the same hazard, and co-insurance, or average distribution, should be permitted. To this end uniformly established systems of risk measurement applied through rating bureaus or other expert bodies are essential.

The principle of reciprocity between the states is advocated to the end that investments shall be determined by the quality of the security regardless of the situs, that taxes may be fair and levied directly without regard to local investment requirements, departmental charges adjusted to cover the cost of the service rendered, and insurers be enabled to obtain from authorized companies in any state the coverage which their individual necessities require.

We favor granting the President of the United States authority to centralize, at his discretion, all public health activities of the Federal Government, exclusive of those relating to the Army, Navy and Veterans' Bureau. The agency charged by the President with responsibility of supervising these activities should be empowered to delegate experts to various governmental departments, to universities, or general research organizations looking toward the improvement of public health.

The construction of important bridges causes financial problems in connection with improvement of highways. Whenever after careful survey it is found to be necessary to meet these problems by permitting the erection of toll bridges, authority to build and operate such bridges should be granted only upon definite conditions. These conditions should include a requirement that construction and operation will be under the control of appropriate public agencies with a duty to see that the public interest is in all ways safeguarded and a provision that the right to collect tolls shall cease after there has been opportunity to obtain a reasonable return.

The Resolutions Committee has received under the rules proposals for resolutions on a number of other subjects. These subjects belong in a variety of fields. Upon some of them it may eventually be very appropriate for the Chamber to take a position. As yet, however, the committee believes that the situation with respect to each of these subjects should be more fully developed, in order that any decision of the Chamber may in fact represent a general point of view and interest on the part of the membership. The committee accordingly recommends that the annual meeting should refer each of these subjects to the Board of Directors, for such further action in the form of investigation and study as the board may in each instance consider is appropriate.

Looking at Tomorrow's Business

The nine chairmen who presided at the Group Meetings came before the last general session of the Annual Meeting to report from those groups and to give a look ahead at the nine major divisions of American industry. Here in brief, are their views:

Agriculture

By DWIGHT B. HEARD

President, Dwight B. Heard Investment Co., Phoenix, Arizona

DURING the past year there have been manifest improvements in the agricultural situation. The drift to tenantry is not as rapid as it was. Prices on certain agricultural products during the past year have shown a decided improvement notably wool, hogs, butter and potatoes. Improved government credit facilities are still being extended to the farmers and plans are under way for extending production credit at reduced rates of interest. Improved farm machinery, particularly that motor-driven, is helping to solve the farm labor problem.

Range conditions have improved and the creation of ten-year livestock permits on the national forests has helped to stabilize the livestock industry. Standardization of farm products is being developed. The pure seed movement is growing. Better breeding is being practiced among livestock men. Crop diversification is becoming more of a national practice. Increase in bonded warehouses has resulted in the increased use of intermediate credit banks and the cooperative marketing movement is gaining in efficiency and business standards all of which helps to stabilize this great industry.

Getting After the Facts

FOR THE past year this Chamber has made a determined effort to ascertain facts on which to base constructive suggestions for a sound economic policy of real benefit to the farming group. In a series of regional conferences we have gone directly into the farming and livestock producing districts to obtain comprehensive regional viewpoints realizing that these viewpoints are essential to offer constructive suggestions intelligently for improved conditions.

Last fall the United States Chamber joined with the National Industrial Conference Board in setting up an impartial and independent commission of business men for the careful study of our agricultural problems. This Commission under the able leadership of Charles Nagel, former Secretary of Commerce, has been carrying on extensive hearings throughout the country.

The membership of this Chamber is showing an increased interest in this big national problem. They are not only alert in fact-finding work, but are aroused to the need of working in a spirit of service and cooperation with agriculture. The importance, intricacy and wide variations in the problems involved are immense. The farmer is entitled to an equal chance for success in life compared to that offered to

men in other industry. Fortunately, he has an increased understanding of the value of organization. It is equally fortunate that organized industry recognizes that it can have no permanent prosperity until the 28 million people still living on our farms are able to secure materially greater returns on their investments of capital and labor.

This Chamber proposes to continue determinedly its research work on which to base a plan of action. With an aroused public opinion and improved understanding between agriculture and organized business there should be a far better day ahead for agriculture. As a result of the effective fact-finding work under way I hope that at an early date this Chamber may formulate a positive policy on agriculture, a policy so practical, constructive and well founded on fact as to command the respect of the nation and so just and unselfish as to convince American farmers of the friendship and cooperation of American business.

Civic Development

By CHARLES W. LONSDALE

President, Simonds-Shields-Lonsdale Grain Co., Kansas City, Mo.

IN THE WIDE range of subjects covered by the Civic Development Department City Building in the New Business Era seemed the one that illustrates most effectively the new era upon which America is entering and the part that business now takes and, in the future must take, both for its own sake—because the city is the plant in which business is carried on, and for the sake of the community as a whole.

During the past few years America has changed from a country predominantly rural to a country predominantly urban. More than half of our total population now live in cities and towns. Each year the proportion of urban population grows. It has been estimated that when we have 150,000,000 people in this country—which will probably be about 1950 or '60, thirty or forty years from now—67.9 per cent or 101,850,000 will be living in cities and towns.

Concern for City Building

THIS change in the character of our population from rural to urban is compelling us to give increased attention to the way in which we build our cities. Two generations ago it was a common saying that the average city family lasted only three generations. We were concerned about this because it involved so much waste. But it did not appeal to us as a national problem because we seemed to have an inexhaustible supply of country people to draw upon to fill up the gaps. Today it is different, this resource like some of our natural resources has been drawn upon until we can begin to see its limits.

Because of the waste in killing off city families, because they objected to being

killed off, we have made great improvements in our cities. We have controlled in great measure the epidemics that used to ravage them—smallpox and yellow fever have ceased to be words of terror. We have secured pure water—and so again diminished disease. We have built sewer systems—and so again diminished disease. We have enacted building codes and housing codes—and so again diminished disease.

Cities Have Lower Death Rate

CONSEQUENTLY the city dweller today has a lower death rate than has the country dweller, city families last more than three generations.

But now that our urban population has become the majority element in our total population we are waking up to the fact that it is not enough to keep it alive. Since it has become, and in the future will be increasingly the controlling element in the country, it is essential for the national well-being that it shall be virile, sane, capable of self-control.

At the same time the growth of our cities, the tremendous concentration of population in crowded dwellings near their centers, the widespread suburbs that prevent easy access by the downtown population to the open-country—the resentment of suburbanites and farmers when town dwellers invade their woods and fields, has given us new problems.

Distribution

By ROBERT R. ELLIS

President, Hessig-Ellis Drug Co., Memphis, Tenn.

DISTRIBUTION in this country is much more intricate than in any other; first, because of the greater expanse of territory and second, because of the more exacting demands of the consumer caused by our higher standards of living.

After our Domestic Distribution Department was established, studies were made to determine the best methods of coordinating the work in such a way as to be of the greatest benefit to our members; and that we might have the benefit of their advice it was decided to call a conference of the distributors of the entire country. This was held in January, 1925, with the result that committees were appointed to study various phases of distribution with subcommittees of each to make more detailed studies. These committees and subcommittees met many times during the year following and at a second general conference held in December, 1925, six reports were presented and were adopted.

One of the things ahead for business is to know itself—to find out where it stands—in order to know more certainly what is ahead of it. Studies such as I have mentioned are an evidence that business is awake not only to its present needs but to the safeguards which it must adopt for the future. It must have better trade relations—better relations between merchants who buy of and sell to each other. Bad

practices such as cancellations of orders accepted in good faith; demands for cash discount after the discount period has elapsed; misrepresentations and substitutions of merchandise and other causes of unnecessary disputes which result in expensive wastes, not only ought to be abandoned but made impossible. This is another job which is ahead for business. Like the census of distribution, this subject is the direct outcome of the National Distribution Conference.

We lack so many figures which are necessary to an unqualified statement of "What's Ahead for Business?" that I offer my opinion with some hesitation. From past experience it appears not unlikely that we are facing some relaxation in consumer demand which will require attention on the part of every distributor and suggests the advisability of conservative policies. Speculative buying never has recommended itself much to wise merchants and today does not appear to be justified, if ever it has been.

Every sign points to normal conditions which means that we need not expect either a boom or a collapse.

Finance

By FELIX M. McWHIRTER

President, Peoples State Bank, Indianapolis, Indiana

IN THIS new era, when odium may no longer attach to the words "capitalism" or "capitalist," since the opportunity and even the duty to become a capitalist is being presented to the average man, our banks and our investment houses and our exchanges, as is true in industry and commerce, are facing new problems, new penalties for inefficiency, new premiums for improved practices.

In sections of the country conditions have led to the conclusion that in some places there are too many banks or too few bankers. Emphasis is being placed upon sound management, upon the necessity for self-regulation of banks. The same problems faced by industry, mounting costs of doing business, increasing efficiency, larger volume, more able management, are engaging attentions of thoughtful financial men. While there has been an enormous development in the agencies of finance, their growth in the main appears to have been sound. While it reflects confidence and prosperity, this development is in itself contributory to advancement.

One More Reduction

AS TO taxation, we may expect one more reduction of federal taxation and by then we shall have about reached our normal stride. This body should enunciate its firm conviction that tax collections from whatever source and by whatever method should balance expenditures, and create no surplus.

State and local taxation and budgeting are receiving more and more consideration—and rightly. Expenditures in our states and the smaller political sub-divisions have mounted and mounted. Within this Chamber a study has been proceeding. There is so much to be accomplished and it is hoped

that you all in your respective communities may contribute to your mutual advantage by having your organizations definitely function in reference to state and local budgeting and taxation. Interchange of experience and study accomplishes economy of time and effort and increases enduring results.

It has not been my purpose to do other than merely attract your thought to some of the questions which have occupied the time and effort of the Finance Department.

In addition to that which has been mentioned, business is to be congratulated that under the auspices of the Chamber for a number of months there has been quietly proceeding a broad study of the banking and credit machinery of the country, with special attention to the operations of the Federal Reserve System in normal times.

We Are Back to Normal Now

WE NEED to differentiate between the operations of the country's credit mechanism in the more normal conditions of the past few years as contrasted with the emergency conditions of the previous eight years. We need to develop broad and sound conclusions as to the permanence of various functions of the Federal Reserve System and to promote public understanding of our present financial equipment in the light of the new economic situation of the country. We need to distinguish between what is of value in an emergency and what may be considered necessary for normal operations. We must establish the permanency of indispensable functions. How better than by evaluating our banking and credit structure in the light of the country's peace-time requirements?

Foreign Commerce

By HENRY D. SHARPE

President, Brown & Sharpe Manufacturing Co., Providence, R. I.

INTERNATIONAL commerce obviously from its very nature is peculiarly subject to the acts of governments, and in looking at what's ahead for the foreign commerce of the United States it is essential to point out the importance of wise and far-sighted policy on the part of our Government in dealing with foreign governments. Our Government must be firm and prompt in assuring the protection of the lives and legitimate property interests of our citizens in foreign countries. And at the same time our Government must respect the clear rights of foreign governments and show as much consideration for the interests of foreign business interests as we expect to have shown to our interests by foreign governments.

In some quarters in this country there seems to be a disposition to urge our Government to protect every action of foreign governments that bears heavily on our trade interests, and at the same time to turn a deaf ear to every complaint from abroad as to the action of our own Government in like cases. Clearly such a policy will not work. If we would have a satisfactory parcel post service for shipments to Cuba, we must be prepared to allow Cuba to use the parcel post for return shipments.

International commercial policy is a delicate and sensitive brand of government. It is hard to lay down fixed rules. The recent improvement of the Foreign Service of the United States, including the Diplomatic and Consular Services, and in the Foreign Commerce Service of the Department of Commerce, is probably as effective a step as any taken by our government in preparing for sound trade relations in the future.

Our Growing, Changing Export Trade

OUR EXPORT trade is growing, and changing. We are still one of the world's great sources of supply for raw materials and for foodstuffs. But in some of the foodstuff lines and in some of the raw material lines there are new sources of supply that are coming forward. In fresh and dried fruits, and canned and prepared food specialties we are assuming a new place in world trade, but in the meats and staple cereals and some of the other foodstuff lines we need not be surprised to see some farther recessions in our export trade.

Among the raw materials we are already seeing some great new foreign producers of metallic and non-metallic minerals coming to the fore.

Not so many years ago when raw cotton was mentioned it meant United States cotton. Today, however, cotton culture is being fostered and is advancing in many other regions. Cotton is still king, and by a large margin, among our exports, but it is not unlikely that our cotton will be of relatively less importance in world markets and in our own export ledger in the future than in the past.

So far as our exports are concerned, the most striking recent development has been the increase in our exports of manufactures. In 1926 our finished manufactures represented nearly two billion dollars out of total exports of about four and three-fourths billions—or 41½ per cent of the total. Semi-manufactures and slightly manufactured articles accounted for 13.9 per cent of the total, and manufactured foodstuffs 10.7 per cent of the total. Our exports of crude materials were only 26.8 per cent of the total and our exports of crude foodstuffs only 7.1 per cent of the total.

In the Foreign Commerce Department of the Chamber we have record of our three thousand five hundred American manufacturers that are actively spending time and money for export business. And the number is increasing.

On the import side of the foreign trade ledger we are also seeing interesting new developments: We are seeing the United States comb the markets of the world for raw materials for our industries and for tropical foodstuffs. We are seeing record imports of rubber, of asbestos, of vegetable oils, of wood pulp, of fertilizers, of bananas, coffee, and cocoa. We are seeing one after another of American industries more consciously dependent on imported materials.

And then there are the manufactured imports. We have the wealthiest, most curious, most insistent big market in the world. Foreigners sometimes complain of our tariff. Yet despite the tariff, we see one foreign novelty after another come into our market in quantity. The Ameri-

how much do they cost you?

ment in finding them. Yet the time it takes to
tion of their value. This valuation is usually
determined, they should be easily found again.

The credit manager can keep collections speeded up and eliminate delinquencies with a Kardex Credit and Collection record. He can know at all times and at any time just which customers are behind in their accounts, and can, without a long and detailed analysis, determine the major cause of such delinquencies and correct them.

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can people want the new and interesting products of foreign countries and seem willing to pay the bill for them, even when the bill carries a good stiff tax.

We are living in a fast-moving world. In these days of rapid communication, rapid transportation, portable power and labor-saving machines, the pioneering processes are speeded up infinitely over the slow, plodding experiences of our own pioneering days. Today when we look at a vast undeveloped area it presents very different possibilities from those of even a generation ago.

Insurance

By JAMES S. KEMPER

*Pres. Lumberman's Mutual Casualty Co.,
San Francisco*

THE INSTITUTION of insurance reflects in its development the progress of other business. When sales are good, and prices satisfactory, the insurance volume keeps pace. When business is retarded the insurance volume immediately recedes.

There is too the important factor of individual interest in preventing loss. On the upgrade of the business cycle the property owner making substantial profits views with concern the possibility of interruption of business through loss by fire or other disaster. With trade conditions unfavorable there is less incentive to guard against catastrophe so that insurance results are affected adversely not only in volume of business done but in percentage of cost.

The experience of insurance companies further reflects general business conditions through the investment situation. In late years in particular many companies have had to look to their so-called banking or investment division for their earnings.

You will realize, therefore, that a composite of the cross section of business conditions that you are having this morning will represent very nearly the results insurance will achieve this coming year.

Educating Policyholders

PROBABLY the outstanding feature of present day insurance is the increasing interest of insurance companies in policyholder education. In the life field tremendous strides have been made in health conservation and in increasing the span of life. Statistics recently compiled by one company showed an increased longevity of approximately nine years in the last fifteen years. In fire and casualty fields there has been a similar development through exhaustive studies and constant attention by company engineers striving to reduce loss costs and conserve man power and property.

Two resolutions from our Insurance Group Meetings will, I hope, come before you today. One deals with a desirable adjustment of Federal Public Health Service. The other, if generally followed, would enable insurance to meet the needs of commerce without some of the handicaps now imposed.

Life companies now protect human values to the extent of eighty-five billion dollars. Fire companies protect property

of a value of two hundred billion dollars. Casualty companies protect millions of workmen and general business in many other lines. The development of new kinds of insurance to meet the requirements of business has brought the companies increased volume with increased opportunity for service. The automobile field has had a most remarkable growth. Instalment buying, which for good or evil is with us, has brought increased demands for insurance.

Value of Chamber Service

CHAMBER members are increasingly taking advantage of the Chamber's insurance department services. The constant and heavy flow of inquiries over the manager's desk indicates the value of the service to the underlying membership. This is further evidenced by the increasing insurance buyer interest in and attendance at our Insurance Group Meetings.

There has also been a most active interest on the part of local chambers and trade associations in the loss prevention aspects of insurance. You business men, delegates to this annual meeting of the National Chamber, can assist in the great work of life and property conservation by urging your local chambers actively to support the Chamber's Insurance Department Committee. Every chamber of commerce and trade association should have insurance and conservation committees.

Speaking generally, insurance approaches the coming year with confidence as to volume of business and larger opportunity for service. With a stable investment situation, the year should produce satisfactory results.

Manufacture

By A. J. BROSEAU

President, Mack Trucks, Inc., New York

SPEAKING for the Department of Manufacture, I will say that business is good, and promises to continue so. Inasmuch as the prosperity of the manufacturer depends upon the general well-being of all other lines of business, and a balanced general situation, it may be well to call your attention to the factors that are being considered by manufacturers.

We realize that the problems of agriculture and of the producers of raw materials in the Department of Natural Resources are different from ours, and that some of the factors involved may be dissimilar, but we believe you will be interested in what we are doing, and it may be that in what we are doing you will find something that may be helpful.

Discussion of the Department of Manufacture was directed to the topic in the elimination of waste, both material and human, and the benefits that come to everybody from increased efficiency, and lowered unit costs, to the end that the products of manufacture may find a wide distribution.

Stated simply, it is this: If the individual worker is equipped with proper machinery and has proper conditions for work, with the incentive to increase his income, his output will be greater and the result will be more goods for distribution, more money to buy those goods, and the nation will enjoy a wider and broader prosperity.

Mr. Rice, assistant to the president of General Motors, told us in no uncertain terms that:

"High production is the forerunner and not the result of high wages; that prosperity is an effect rather than a cause. High wages may mean greater purchasing power, but that is merely saying, in another way, that high wages indicate a prosperity which can only exist with high production, for real wages are merely stated in terms of money for convenience of exchange, and every return, whether it is called interest, profits or wages, must come, in the long run, out of production, and that cannot exceed production."

Mr. Rice called attention to the unusual situation in which we have lately found ourselves and which is puzzling the economists of the land.

"A fall in prices has brought a rise in real wages, accompanied by a high level of profits. This has come about by lower costs, or, in other words, a higher individual production."

Mr. Rice also said:

Production Must Not Drop

THERE can be no quarrel with the shorter day or the shorter week without reduction in the wage, providing, always, the unit cost does not increase. The recent increase of wages to railroad employes, which must be paid for by a contribution in the same amount from every one of the rest of us, may be a good thing or a bad thing. It will be a good thing if, in return for higher standards of living, the individual worker will increase his individual producing power. There is no other way."

Tinkerings with economic law may give temporary help, but in the long run, management and men must accept this principle.

This, then, is the message from the Department of Manufacture group, a desire to do away with every possible form of waste, whether it be in financing, in management, in shipping, or in production. More goods will result in higher standards of living and higher standards of living will result in a greater incentive to produce more and more of those goods.

Mr. Morey, general manager of the Commonwealth Steel Company, came to the same conclusion, but by a different route. He announces what to some may be a new economic law, that the consuming power of the world is equal to its creative power. That law, some believe, has proved itself in America.

Natural Resources

By MILTON E. MARCUSE

*President, Bedford Pulp & Paper Co.,
Richmond, Va.*

OUR INDUSTRIES that furnish us with power, coal, petroleum, hydro-electric power are peculiarly subject to legislative attack. The National Chamber, as you know, stands for the principle of self-government in industry and business, believing that if we are to progress in our industrial development human ingenuity and energy must be encouraged by affording the highest opportunity for individual initiative. This principle is the corner-



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stone of the work of the Department of Natural Resources.

The coal industry has been especially subject to proposals for government regulation. The experience of recent years, however, has shown the public that the industry, if let alone, can be depended upon to furnish coal in ample quantities at fair prices, and has justified the confidence reposed in it by this body last year when we by resolution reiterated our opposition to Government regulation or control of the coal industry.

No Oil Shortage Seen

IT IS encouraging to note also that a commission of government officials, the Federal Oil Conservation Board, after an extensive study of the petroleum situation has found that there is no danger of an early shortage of petroleum, and that the best measures of accomplishing improvements which will greatly prolong the life of reserves are through the resourcefulness and initiative of the industry itself.

Taking up the hydro-electric power industry, some of its problems were dealt with by the Chamber in its Referendum 24. Principles were established which were later embodied in the Federal Water Power Act which created the Federal Power Commission. Under the law opportunity was given private initiative to act, and development has been rapid. Unfortunately there has been a disposition on the part of Congress to disregard the act in dealing with some of our larger projects, such as Muscle Shoals and Boulder Canyon, and a tendency to inject the government into the production and distribution of hydro-electric power. Private initiative and energy have brought us to our present high state in the development of this important industry and no one can consider with composure the prospect of government entering this field.

Closely allied with the subject of hydro-electric development is the problem of the development and control of our water resources for navigation, drainage, reclamation, irrigation, and flood control.

The present Mississippi Valley catastrophe brings this vividly to our minds. Such conditions are preventable and it is incumbent upon us to take steps to insure against repetitions. This is the unanimous conclusion of the Natural Resources Group and I request your serious and favorable consideration of the resolution which will be submitted later on.

Our forest resources have been dealt with by the Chamber in a referendum which established a constructive policy for maintaining ample timber supplies to meet the nation's future needs. Forests fortunately constitute one of our renewable resources and the nation is possessed of such extensive areas suitable primarily for tree growing that the nation should not suffer for lack of wood products if our citizens can be induced to undertake the growing of trees as a business and if this undertaking can be begun without delay.

Commercial forestry, the term applied to the business of growing crops of trees, will not be possible, however, until the public appreciates and discharges its responsibility to afford proper measures of forest fire pre-

vention and tax systems suitable to forest ownership. Legislation to accomplish these measures is largely a state matter. During the past year the Chamber has, at the request of its member organizations, assisted them in securing in several states constitutional amendments making possible equitable methods of forest taxation.

The next step in our program to put Commercial Forestry on a sound basis is a business men's conference on Commercial Forestry, its possibilities, obstacles, and accomplishments, which the Chamber will hold October 18, 19, and 20. An outstanding feature of this conference will be accomplishments in commercial forestry to date and we are now engaged in a nationwide survey to gather these figures. Our features will be taxation, the value of research, fire prevention with especial attention to examining the possibilities of timber insurance.

The Natural Resources as they concern human affairs have assumed a new and increasingly important rôle in our modern industrial era. Prior to the mechanical age civilization rested upon pursuits that were mainly agricultural; and raw materials were drawn mostly from the field and forest. Civilization as we know it today is dependent, however, upon many raw materials entirely new to human experience.

The resources which supply our mechanical power have furnished the impetus and acceleration to industrial processes which in turn have raised other resources to high levels of importance in modern civilization.

It is perhaps unavoidable that industries dealing in commodities of such transcendent importance should be the objects of special public concern.

For this reason it is highly important that these industries demonstrate their ability to govern themselves in the public interest. The National Chamber through the Natural Resources Department pledges itself to continue effort to aid these industries in developing solidarity and in discharging this responsibility.

Transportation and Communication

BY WILLIAM J. DEAN

*President, Nicols, Dean and Gregg,
St. Paul, Minn.*

TRANSPORTATION is the blood stream and Communication the nerve system of Organized Business which now ministers to the material need of 118,000,000 of people in this country.

In no direction has progress demonstrated a larger practical usefulness than in the fields of Transportation and Communication. Here expansion has been wonderful; not only as to new discoveries and inventions, but also in the improvement and speeding up of the more familiar agencies such as the ocean liner, Diesel freight ships, hard-surfaced highways, motor transport, low-cost long-distance telephone facilities, high-speed cables, and finally the most efficient railway freight and passenger service in history. All these elements have quickened the processes of Commerce. They have increased the output of labor. They

have made possible great extensions of enterprise.

From a crude beginning only one hundred years ago we have today 250,000 miles of line and 400,000 miles of track, comprising one-third of the total railway mileage of the world; with only one-sixteenth of the population and one-twentieth of the area of the earth.

Since the operation of the railroads was restored to private ownership in March, 1920, there has been recorded a most amazing chapter of performance.

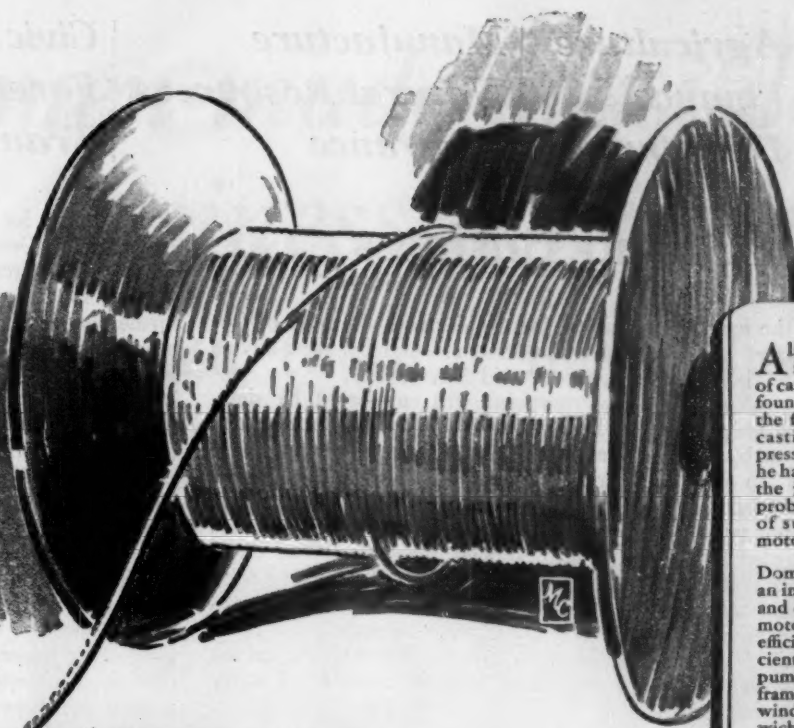
In marked contrast to the progress of the railroads is the recent history of our merchant marine with the continual difficulties inherent in government ownership and with its enormous expense imposed upon the taxpayers. Losses in Fleet Corporation operation have aggregated \$233,000,000 since 1921 without including interest or depreciation. Some progress has been made in this period by the transfer to private ownership of certain lines and services. Recently, however, active efforts in this direction have been discontinued, and proposals are even being put forward to have the government embark upon a further program of merchant ship construction. These are indications of an unsound policy against which we protest.

Private Ownership of Fleet

WE strongly advocate the maintenance under the American flag of the shipping services which are of such great value to the expansion of our foreign commerce, but we believe this should be done not by extending and perpetuating government ownership and operation but by measures which will establish our merchant fleet on a permanent basis of private ownership.

It is gratifying to note the strides that are being taken by our new infant industry—air transportation. With aid from the government only in the form of contract air mail routes, our pioneers of commercial aviation are covering this country with a network of lines. This is the American method, which is based upon the restless spirit of individual enterprise constantly leading on to better things. And not least in importance is the fact—which I mention because it shows a sound tendency of the responsible authorities—that within a few weeks the transcontinental line, originally established by the Government, is to be transferred to private companies who have demonstrated their ability through other operations. When finally the public awakes to its advantages, is it too much to assume that we shall have between all parts of the country the speedy communication which air transportation, in proper coordination with the rail and motor lines, offers not only for mail and express but also for passenger service?

It is impossible for me in these brief remarks to outline the great development which the future holds for highway transportation. This industry is in its youth and, if its future copies fair its past, the public will benefit to an untold degree by the quickened service which it offers—by its marvelous substitution of the machine for the effort of man and beast. This service depends upon the sound continuance of a progressive highway program.



A large manufacturer, putting into production a new type of casting from his own foundry, found that the shrinkage from the first lot of more than 1000 castings gave insufficient air pressure for his pump. Naturally, he hated to throw this money on the junk pile—so he took the problem to Domestic, his source of supply for skeleton-frame motors.

Domestic engineers went into an immediate laboratory session and decided that a change in the motor winding increased the efficiency of the motor sufficiently to offset the losses in the pump. A thousand skeleton-frame motors with this special winding were immediately sandwiched into the regular production run; the 1000 castings were used, and the appliance fully met every specification.

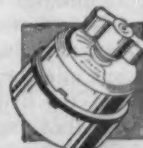


Just a little Spool of Wire

---but it saved a thousand castings

Domestic Electric is more than a builder of special motors for power driven appliances. It is a service organization, dedicated to the perfect application and satisfactory operation of fractional horsepower in a wide range of household, commercial and industrial fields. In their contact with the Domestic Electric Company, customers use our engineering and sales organizations as a department of their own business, to

be freely consulted on any problem involving the manufacture or marketing of electric appliances requiring less than one horsepower. From those not familiar with the many exceptional features of this service we ask only an opportunity to demonstrate how Domestic Electric functions in developing special motors for specific service requirements. An inquiry will at once place you in touch with principals in this organization.



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The Group Meetings

Agriculture
Finance
Distribution

Manufacture
Natural Resources
Insurance

Civic Development
Foreign Commerce
Transportation

Farming, a Sound Business

LIVELY discussion developed in the agricultural section meeting over the question of how industry and business can best assist in restoring agriculture to a satisfactory basis. After three hours' debate it culminated in the adoption by a narrow majority of a resolution to be referred to the board of directors, declaring "that American agriculture, in common with industry and labor, should be protected by the Government in its domestic markets to an extent and degree comparable with the protection afforded by the Government to labor and industry in other lines."

"Teamwork between business and agriculture" was the central theme of the meeting as announced by Dwight B. Heard, of Phoenix, Arizona, chairman of the Advisory Committee to Agricultural Service. Alfred H. Stone, of Mississippi, scheduled as the chief speaker, sent a letter of regret explaining his absence by the fact that his plantation near Greenville was then under four to eight feet of water. Judge John D. Miller, president of the National Milk Producers Federation, told of the progress that has been made in cooperative marketing, particularly in the matter of changing public opposition into public approval and support in the short space of eight years.

Sectional Findings Out Soon

E. M. HERR, president of the Westinghouse Electric and Manufacturing Company, New York, and a member of the Business Men's Commission on Agriculture appointed jointly by the United States Chamber of Commerce and the National Industrial Conference Board, reported that the commission has finished its hearings in various sections of the country and expects to publish its findings this summer.

Mr. Herr also referred to the rapid progress the electrical industry is now making in reaching out into the country to put electric current at the disposal of the farmer, and intimated that big new developments in that direction soon are to be announced.

C. T. Jaffray, president of the Minneapolis, St. Paul and Sault Ste. Marie Railway, told of the Boys' and Girls' Calf Club work and other practical efforts toward diversified farming, which business interests in a number of Northwestern States are actively carrying forward.

As chairman of the Board of the Agricultural Credit Corporation, known as "The Ten-Million-Dollar Corporation," Mr. Jaffray has noted how frequently farm conditions improve where farmers have taken up diversified farming instead of, or as a supplement to, small-grain farming, particularly in the Dakotas. He is convinced that this is the way in which business men can best help agriculture.

"In that direction lies the hope of future

prosperity for the farmer. Instead of 'relief' give the farmer sound business advice and counsel," said Mr. Jaffray.

This viewpoint was supported by delegates from Tennessee and Mississippi but drew a sharp challenge from certain Mid-Western delegates. Charles A. Ewing, of Decatur, Illinois, called Mr. Jaffray's attention to the fact that diversification has long been practiced throughout the Midwest; that calf, poultry and pig clubs were an old story there, and still the farm problem is far from solved. He stated that more dairy cows in one section usually means displacement of cows in some older dairy section.

Opportunity, Not "Farm Relief"

L. J. TABER, of Columbus, Ohio, master of the National Grange as well as a delegate, said, "What we must have is a balanced and national agricultural policy. We all believe in diversification but diversification alone cannot solve the American farm problem. Education, organization and cooperation are the three chief forces that will bring results. Sensible farmers do not like the term 'farm relief'; what they want is 'equal opportunity.'"

"Aid Congress in enacting a non-partisan farm-relief bill which will give equal opportunity to agriculture," was the plea of Carl Vrooman, former Assistant Secretary of Agriculture, speaking as delegate from the Bloomington, Illinois, Chamber of Commerce.

The tariff as a factor in the farm situa-

tion came in for much attention. Charles A. Ewing, of Decatur, Illinois, asserted that the manufacturer gets an average protection of 45 per cent ad valorem while the farmer gets but 20 per cent and on most crops even this 20 per cent is not effective. E. J. Gittins, of the J. I. Case Threshing Machine Company, Racine, Wisconsin, protested that farm machinery manufacturers do not have a protective tariff.

George F. Hasslocher, a manufacturing chemist of New York, suggested greater use of farm by-products and referred particularly to recent developments in the making of celotex from sugar cane refuse, and furfural from oat hulls. Objection was made, however, that usually in cases of this kind the farmer gets only about the cost of transportation for crude farm by-products of this type.

Arthur Huntington, engineer, of Cedar Rapids, Iowa, urged the idea that production costs must be decreased on the farm by greater use of machinery and more efficient methods. "It takes 2.18 hours of labor in agriculture to produce crops that will exchange for the products of 1 hour's labor in industry," Mr. Huntington stated. He recommended that business give agriculture the benefit of the same sort of efficiency and scientific analysis that business has employed.

J. S. Crutchfield, of Pittsburgh, president of American Fruit Growers, Inc., said: "There is nothing wrong with agriculture. It is probably the soundest business in the United States today, particularly since its severe deflation. The trouble is in the lack of adjustment between agriculture and business."

Taxation and The Dawes Plan

THOSE whose interest led them to the luncheon meeting of the Finance Group heard authoritative addresses on important problems in public finance at home and abroad.

J. E. Sterrett, of Price, Waterhouse & Company, and until recently the American member of the Transfer Committee under the Dawes Plan, gave first-hand information on "The Dawes Plan in Operation." Hon. Allen T. Treadway, Member of Congress from Massachusetts, member of the House Committee on Ways and Means and of the recently organized Congressional Joint Committee on Internal Revenue Taxation, spoke on "Federal Taxation—What Should Be Done." Mark Graves, a member of the New York State Tax Commission, spoke on "State and Local Taxation."

Mr. Sterrett briefly reviewed the historical setting of the Dawes Plan, which had its origin in the fact that following the Treaty

of Versailles, reparations became the central economic problem in European affairs.

According to the speaker, the German Government has faithfully fulfilled its obligations under the plan. The Agent General for reparations payments received from Germany during the two and one-half years ending February 28, 1927, a total of 2,732 millions of gold marks.

Of that amount 2,608 millions have been disbursed. The remaining balance of 124 millions of gold marks, Mr. Sterrett said, does not indicate any difficulty in transfer.

Rather, it is a necessary working balance with which to meet drafts under contracts, of which there is always outstanding a substantial amount, and other forms of transfer payments the totals of which necessarily vary as between months.

The Dawes Plan, he said, "is not an inflexible piece of mechanism fastened on the back of the German Government . . .

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These men made possible my one big business achievement

Through them I have shared
in the greatest commercial
romance of the South

I have known some of America's keenest business men to marvel at the way a single coffee—Maxwell House—has literally taken the country by storm.

The story of this coffee is, indeed, the greatest commercial romance of the South. Just a few years ago it was known only in and around Nashville, Tennessee. Today it is roasted in six great plants situated at strategic locations from coast to coast. And from these plants it is supplied to every state in the Union.

Seven years ago, when I shook the hand of J. O. Cheek, president of the Cheek-Neal Coffee Company, I made a connection which has been the foundation of my one big business achievement. This connection was a contract to supply corrugated shipping boxes for Maxwell House Coffee.

From the moment this contract was made I knew that I had entered upon a very unusual business relationship. Mr. Cheek, and his associates, gave me their complete confidence from the start—a confidence that placed a responsibility upon me which

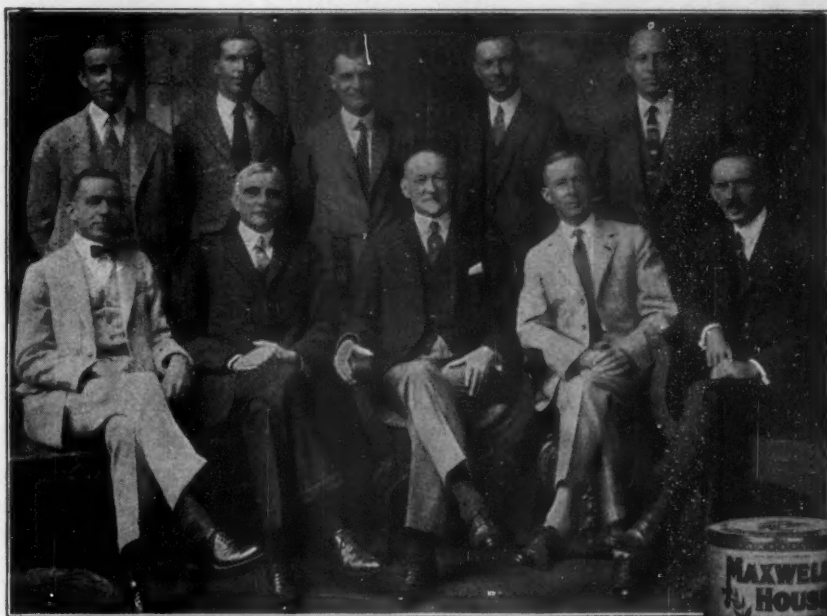
could not have been greater if I had been made a member of the firm.

Today this relationship is stronger than ever. For seven years I have watched with increasing admiration the force of character behind the Cheek-Neal Coffee Company. And I have constantly felt the far-reaching effect of this force upon my business and upon the sale of Maxwell House Coffee.

I am proud of the part my business has played in this great enterprise—small as

that part is. And I am also proud of the trust and confidence of such an organization as the Cheek-Neal Coffee Company. I do not hesitate to say that the Cheek-Neal business has been the very foundation of my success, and I take this opportunity to express my sincere appreciation to the executives shown in the picture above.

J. D. Goodpastor
President



Executives of the Cheek-Neal Coffee Company, roasters of Maxwell House Coffee—America's largest selling high grade brand:

(Bottom row, left to right) William Cheek, Vice-President, Richmond manager; J. W. Neal, Vice-President; Joel O. Cheek, President; Leon Cheek, Vice-President, Jacksonville manager; Robert S. Cheek, Vice-President, Nashville manager.

(Top row, left to right) J. R. Neal, Vice-President, Houston manager; Newman Cheek, Secretary; D. M. Boyer, Treasurer; Frank Cheek, Vice-President, New York manager; James Cheek, Vice-President, Los Angeles manager.



THE NASHVILLE CORRUGATED Box COMPANY

Manufacturers of Corrugated Shipping Containers
Nashville, Tennessee

events are moving, the will to agree is growing and it is not unreasonable to hope that it will not be long until the final and comprehensive agreement foreseen by the committee will become a reality. The questions yet to be settled are delicate and of a nature easily provocative of quarrels, but the problems can be settled in a friendly way if approached in the right spirit. The situation at present calls for patience and an effort to understand. In particular, there should be everywhere a restraint upon criticism."

Congressman Treadway explained the organization of the recently created Congressional Committee on Internal Revenue Taxation and outlined the project which it is undertaking. No group, said the speaker, could be of more assistance to the Joint Committee, nor could any group do more to reduce taxation than the organizations represented in the membership of the Chamber of Commerce of the United States.

The committee, its organization and duties, were thus outlined by the Congressman:

"The committee is composed of ten members, five members of the Finance Committee of the Senate, three being of the majority party and two of the minority party, and five members of the Ways and Means Committee of the House of Representatives, likewise divided in political affiliation."

Congressman Treadway thus stated the duties of the committee:

"To investigate the operation and effects of the Federal system of internal revenue taxes.

"To investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency, charged with their administration.

"To make such other investigations in respect of such systems of taxes as the Joint Committee may deem necessary.

"To investigate measures and methods for the simplification of such taxes, particularly the income tax.

"To report to Congress by December 31, 1927, with recommendations."

The Joint Committee, Mr. Treadway explained, was the answer of Congress to complaints from the taxpaying public. "It is absurd," he said, "that the phraseology of a tax law should be so complicated that an honest man must employ expert accountants or expert legal counsel to enable him to render an accurate tax report to the Government."

The present tax on business can and

should, according to Congressman Treadway, be materially simplified.

The Joint Committee is made up of two divisions, a Division of Investigation, and a Division of Simplification. Surveys and studies of business groups are being undertaken. Those who have built up great business enterprises throughout the country, said Mr. Treadway, are entitled to the best support the Government can give them. The business of this commission is to determine how the Government can best serve business and how business can best contribute to the support of Government.

"The business man," said Mr. Treadway, "is man enough to put all his cards on the table and not put any up his sleeve, if he thinks that the Internal Revenue Bureau is dealing with him fairly and definitely."

"One of the greatest needs," the speaker said, "is simplification of the intricate tax structure. And not only must the law's language be simplified, but its administration.

"We are a quick-moving people, and the income tax is a new law. While it was tried in the Civil War and again adopted in 1894, to be declared unconstitutional by the Supreme Court, nevertheless, we have had to take this thing and put it into effect during the period in our history least adapted to change of tax systems. But now we have returned to normalcy, and we should, therefore, put our tax house in order, and to that end I solicit again the assistance of the United States Chamber of Commerce, of all business, all legal minds, all corporate interests, of everyone who can help solve this problem; and if Congress with the assistance of your board and our advisory committee, can adopt a simple and stable, equitable tax law, we will have performed a great service for the American people and for future generations."

Mark Graves, a member of the New York State Tax Commission, concluded the session with a discussion of state and local tax problems.

"It is difficult," he said, "to speak about state and local taxation from a national standpoint, or on a nation-wide scale, because this is a federal government made up of 48 states and a few colonies, and possessions. My own notion is that a movement should be inaugurated to simplify and coordinate and standardize, if you please, our state and local tax systems.

"Another thing," he added, "the United States Chamber of Commerce might well consider is to propose a sort of model system of state and local taxation, including administrative features, accounting features and all that goes with it."

MacKenzie British Commission on industrial conditions in the United States, dealing principally with the status and economics of wages in this country and the conditions surrounding industrial relations.

"In their summary of conclusions they have sketched very rapidly and very accurately, I believe, the particular advantages which have led to American supremacy," Mr. Barnes continued. "The great extent of the country, the common language, the common political structure, one currency, reasonably uniform standards of living, a widespread market not cut by the barriers of customs frontiers and by way of summary—these then are the dominant factors which have tended to make for potential prosperity in a country which is young, enterprising and abundantly supplied with raw materials. They have made it possible for capital to be interested in industrial enterprises with confidence and for the material standards of life to reach a higher level."

Do the British Excel Us?

"STARTING with that conclusion for a moment I want to ask you as American employers, as administrators of large industries, whether the British conception of the social obligation, the social responsibilities of a government toward its workers in the form of establishment by law of unemployment and pension insurance is more enlightened than our more or less haphazard American individualistic way of securing through industry a higher earning power and leaving it for the worker himself to make his own form of savings.

"I want to ask you to consider the evidence of a large increase of savings accounts in this country, the consistent expansion from a total of six billion dollars in 1913 to over twenty billion dollars today, the expansion of life insurance contracts which today stands to a total of eighty billion dollars, almost the total wealth of the world at the time of the founding of this republic, whether those are evidences that when the Government undertakes the protection of the worker through some kind of insurance against unemployment or pensions, at the same time it undermines the confident venturing into industry which this report commends so highly as the result of these conditions."

Prosperity and Production

THE FIRST address, "Prosperity and Production," presented by H. H. Rice, assistant to the president of the General Motors Company, called attention to the reasons for increased business in the face of declining prices and also without declining wages—either money wages or real wages.

"Many reasons have been given, among them:

"Small individual profits and quick returns.

"Rapid turnover.

"Plant rejuvenation and the scrapping, regardless of expense, of good machinery when there was offered new machinery of greater efficiency.

"Absence of trade jealousies or trade secrets.

"Avoidance of waste, and attention to time saving,

Trade Relations and Production

I WANT to ask you to consider the principles on which wages should be constructed with particular reference to the declaration of the American Federation of Labor that the wage should take into account the increased productivity of the worker. I want to ask you whether we are fooling ourselves as to whether that is a sound, fair and progressive principle of wage or whether in the protection of the

working man the British Trade Union concept of a forced standard, equal wage for every worker and including even restricted daily output are the right protections."

Mr. Julius H. Barnes, past president of the National Chamber, raised this point in opening the discussion at the Group Meeting of the Department of Manufacture. Mr. Barnes had read to his audience excerpts from the report of the so-called

LUMBER

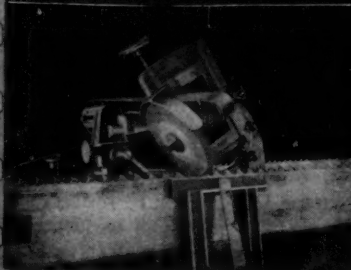
Another Presentation on GRINDING

NORTON COMPANY
WORCESTER, MASS.

Axes that fell the trees in the vast forests are shaped and sharpened on grinding wheels in tremendous quantity production.



Saws that work lumber into usable forms are kept sharp by saw-gumming machines equipped with wheels made especially for this purpose.



The mechanical Yarder is a typical example of a labor-saving machine of tremendous strength that Man's ingenuity has devised for the lumber industry. Machining operations by the grinding wheel and grinding machine are important steps in the manufacture of this wonderful lumbering apparatus.



Powerful engines of transportation—the caterpillar crawler, the motor truck and locomotive that transport lumber thru the forests owe a share of their efficiency to the production of hundreds of close fitting and working parts by grinding.



NORTON

Grinding Wheels
Grinding Machines



Refractories—Floor
and Stair Tiles

"General interest in welfare.
 "Prevalence of research.
 "Promotion by merit.
 "Incentive to individual and group exertion.
 "Cooperation of labor.
 "The political or social set-up of our Constitution itself.
 "Absence of geographical barriers.
 "Mass production methods.
 "Prohibition.
 "The automobile and good roads.
 "The high standard of living.
 "Instalment selling.
 "Lack of class distinction.
 "Every man a capitalist through stock ownership, etc.

"In all of these reasons it will be noted that there is emphasis on the absence of things which retard or the presence of things which enhance production."

Mr. Rice also brought to the attention of his audience what, he says, is puzzling economic writers:

"A fall in prices with a rise in real wages and accompanied by a high level of profits. This has only come about by lower cost or, in other words a higher average production. This has spelled prosperity for all but it is pertinent to call attention to the fact that this can continue only so long as there is no let-up in the increase of production whether that is brought about

by new processes or inventions, or is further effected by any of the causes named by the students of our economic situation. So then the way to increased wages in a larger sense can only be reached through increased production, which is in turn dependent upon a larger market through lower prices to the public. . . .

Is it likely that this notably increasing harmony of concept with regard to the constitution of wages between employer and employe is due to the happier relationships between these two parties at interest? This would seem to be so, for the second speaker of the afternoon, Arthur T. Morey, general manager of the Commonwealth Steel Company, St. Louis, in his address, "A Forward Look in Industrial Relations," said:

"Industrial relations have much to do with human happiness. When the workers of the world receive justice and a due measure of worldly comforts and opportunities, one of the great causes of human friction and unhappiness is removed. Life, liberty, and pursuit of happiness is interpreted by most people as the right to make and the blessings of having a good living."

Many other members of the conference supported these views by personal testimony of their experiences in seeking better relationships between themselves and their workers.

Getting the Retail Facts

DISTRIBUTION is entering a new era of efficiency and economy as a result of the rapid progress of three big movements:

Elimination of wastes due to uneconomic practices and trade abuses through the co-operation of all classes of distributors within each trade,

A census of distribution providing accurate and comprehensive figures on the distribution of merchandise,

Planning of distribution upon a scientific basis, utilizing all available facts.

Vice-President Robert R. Ellis, of Memphis, Tenn., who presided and acted as toastmaster, reported that the present status of distribution is splendid and that extremely encouraging progress is being made in continuing the activities growing out of the National Distribution Conference held two years ago.

Two Movements Growing

IN discussing the results of the National Distribution Conference, he said that "we can see two large movements growing out of it. One of these is the effort to plan distribution on a factual basis—an effort which has resulted in the first distribution census. The other is the trade relations movement—the effort to create better relations between all classes of distributors—between those who buy and those who sell."

Judge Edwin B. Parker outlined the growth of the concept of better trade relations and estimated its significance in American business. Judge Parker, who was chairman of the National Chamber's committee that laid down the "Principles of

Business Conduct" which have been subscribed to by more than 900 Chambers of Commerce and trade associations, made an eloquent plea for the self-regulation of business.

"You have the right and the power," he told his audience, "to eliminate from business the numerous wasteful trade practices which have crept into it and become trade customs, and gradually build up for yourselves a law merchant for your self-government."

"This Chamber is the leader and the mouthpiece of American business. That business is active and progressive, not static. It will be alert, and earnest, and courageous in giving practical application to the principles of conduct which it has adopted."

A. Lincoln Filene, chairman of the Chamber's Trade Relations Committee, outlined the practical aims and efforts of his committee which has been responsible for the progress of the trade relations movement. Mr. Filene told of the meetings which have been held in various parts of the country and of the interest and enthusiasm manifested in many different trades. He emphasized the committee's close relation to the feeling and wishes of American industry as a whole, saying: "We are attempting to express through our committee the desire of business men in all sections of the country."

Paul T. Cherington, of the J. Walter Thompson Company, presented the first report on the Baltimore census of distribution—a new census effort which has been watched with great interest by all classes of

business men. Mr. Cherington is chairman of the Chamber's special sub-committee which supervised the Baltimore census and planned the limited distribution census which is now being made by the United States Bureau of Census in ten other cities.

"Many of the figures resulting from this census," he said, "have hitherto been only a matter of estimate and conjecture. For the first time, these figures give us actual and trustworthy data based on an enumeration made from store to store."

Retailers of 45 Types

IN CONDUCTING this work, the retailers of the city were classified into 45 types of stores. The number of the wholesale trades covered in detail was 43. Merchandise sold through these channels has been divided into 80 commodity classes, and it is expected that when the work is completed we shall be able to show the relative importance of the various commodities sold in various types of establishments.

Included in the information which the report on the Baltimore census furnished, in exact figures were: Number of retail and wholesale establishments, number of employees, total sales in the forty-five types of stores, and wages paid to those engaged in distributing merchandise.

Summing up the import of the Baltimore census, he said:

"The important mechanism by which goods as produced are brought to those who are to consume them has had no place in official figures. Merchants, economists, manufacturers, advertising men, in fact, all who are interested in commercial or industrial growth will welcome this first mathematical picture of the distributing equipment of one of the chief cities of the country."

Dr. Edwin F. Gay of Harvard University, who spoke following Mr. Cherington, predicted that a new era in distribution would result from the collection of definite and comparable business facts such as those obtained in the Baltimore census of distribution.

"When we learn how much better it is to know," he said, "than it is merely to estimate, we shall wonder why we never had a census of distribution before. I feel today that we are taking a great forward step, that we are setting a new advance in the application of human intellect to business through quantitative measurement which is the basis of scientific progress."

The third big movement discussed at the session, the planning of distribution upon a factual basis, was concisely summarized in the address of L. D. H. Weld of the H. K. McCann Company, on "Sales Quotas, Consumer Demand and Profitable Markets."

He described the widespread movement for a greater efficiency in distribution which had resulted in market research, the training of salespeople, and planned sales. The questions of sales quotas, he said, was the key to the determination of consumer demand and the finding of profitable markets.

Everett R. Smith, of the Fuller Brush Company, held that "sales quotas are an important part of efficiency and economy in distribution."

Urging flexibility in the use of sales quotas, he pointed out that "in distribution

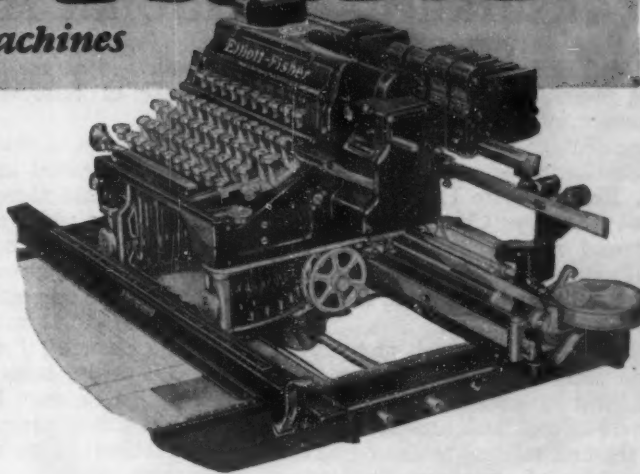
Elliott-Fisher

Accounting - Writing Machines

Elliott-Fisher accounting-writing machines do a great deal more than handle routine accounting work. They so organize your accounting department that it can furnish you daily every vital fact that helps you guide your business. Yet your accounting overhead actually goes down!

Elliott-Fisher can do more effective work because it has the exclusive flat writing surface and automatic-electric operation. These two features enable Elliott-Fisher to combine many details into one operation and at the same time do them with greater speed and accuracy than is possible any other way.

We shall be glad to show you how Elliott-Fisher can fit smoothly into your accounting system and improve it. Write us for details.



Sundstrand

Adding. Figuring & Bookkeeping Machines — Cash Registers



Sundstrand does more than simply add. Touch a key and it subtracts directly. It prints the figure to be subtracted as well as the result. No complements to figure. Nothing to learn. Touch another key and Sundstrand is ready to do automatic shift multiplication.

Yet the Sundstrand keyboard has only ten figure keys—never more. The operator need not locate columns. Without shifting position, one hand controls all operations.

Such simplicity of action gives Sundstrand extreme speed without any loss of accuracy. Its visibility and portability make it convenient and pleasant to use.

See that you get all the features Sundstrand offers when you buy an adding machine. You will find them in no other machine at anything like Sundstrand's price. Write us for further information.

General Office Equipment Corporation

Elliott-Fisher Division

The Elliott-Fisher Division markets Elliott-Fisher Accounting-Writing machines designed to meet every accounting requirement.

Elliott-Fisher Company has acquired the business and assets of the Sundstrand Corporation.

Products of both companies are marketed by the General Office Equipment

Corporation through its Elliott-Fisher and Sundstrand Divisions.

Sales and service offices are maintained by GOEC in the principal cities of the United States and foreign countries.

Sundstrand Division

The Sundstrand Division markets Sundstrand Adding, Subtracting and Bookkeeping Machines and Cash Registers.

342 MADISON AVENUE, NEW YORK CITY

When writing to GENERAL OFFICE EQUIPMENT CORPORATION please mention Nation's Business

we are not dealing with machines—we are dealing largely with human beings. Sales quotas must be modified in their application to meet the needs of the individual business, its conditions of operation and its human elements. And in formulating sales quotas, let us be sure to separate 'coinci-

dences' from genuine business 'indices.'

In discussing planned distribution, both speakers stressed the value of a distribution census in furnishing basic statistics. They declared that it would provide more comprehensive facts than any individual business had been able to collect.

Insurance, A National Asset

INFORMATIVE statements of the benefits of insurance to the nation, to the community, and to the individual were ably presented by the speakers who addressed the insurance group session with James S. Kemper, Vice Chairman of the Insurance Advisory Committee of the Chamber and manager of the Associate Mutual Insurance Companies, Chicago, presiding, due to the illness of H. A. Smith, chairman of the committee.

In addition to the formal program of papers on the service of insurance, the general subject for consideration, two resolutions were offered and unanimously approved; the first relating to the regulation and supervision of insurance; the second recommending the centralization of all Federal health activities, except those concerning the Army, Navy and Veterans Bureau.

Notable Speakers

THE SPEAKERS at this meeting included Dr. S. S. Huebner, professor of insurance, University of Pennsylvania, Philadelphia; Leroy A. Lincoln, general counsel, Metropolitan Life Insurance Company, New York; James S. Kemper, who presided; C. A. Ludlum, vice president, Home Insurance Company, New York; F. Highlands Burns, president, Maryland Casualty Company, Baltimore; and James L. Madden, who summarized the report of the Chamber's Insurance Department, which was to have been read by H. A. Smith.

In a suggestive measure of the importance of conserving and protecting human life, as well as property, Professor Huebner estimated the value of life in the United States at \$2,400,000,000—six times the aggregate of all the nation's material wealth. Of the significance of that valuation and of the usefulness of insurance, he said,

"Life insurance is the institution which, if rightly used, enables us to do for the value of our life all of the things by way of scientific management that we are now accustomed to do in the interest of our property possession. Life insurance is economics as we teach it in the field of property taken over bodily into the realm of human life values."

Service and By-Products

IN LIFE insurance, Mr. Lincoln explained, it has been customary to consider as "service" some of the facilities and activities which might fairly be called by-products of the business. Although these are worthy and of considerable value, he believed the real service of the life insurance companies to be that protection which they afford to a large percentage of our population against the financial distress which so often follows in the wake

of death and to an increasing degree, in the wake of total and permanent disability.

Of the value to the national welfare of the saving involved in life insurance, Mr. Lincoln said that there is not only the ostensible saving which arises from the ownership of an endowment policy, but also the more or less unconscious saving which is necessary in connection with any life insurance policy. It would be quite impossible, he thought, "to express in dollar values the vast sums which would have been dissipated, even by the most thrifty, if life insurance savings were not known and practiced by so large a part of our population."

The extent to which the United States has been transformed into a nation of security holders through life insurance was indicated by Mr. Lincoln, who said that at the end of 1926 fifty-two of the larger companies held city mortgages amounting to \$3,123,000,000, railroad stocks and bonds amounting to \$2,435,000,000, Government obligations amounting to \$1,116,000,000, and public utility securities to the amount of \$819,000,000.

As an illustration of the economies resulting from the preservation of health and prolongation of human life, Mr. Lincoln pointed to some of the striking accomplishments in that field. Longevity is a proper aim for life insurance company service, he said, for the field is large and its cultivation is hardly more than begun, but remarkable achievements have already demonstrated the soundness of the attempt.

Insurance Service to All

FIRE insurance service affects every department of business, declared Mr. Kemper. For illustration of its scope he pointed out that, "by allowing credits in the insurance rate for superior construction, fire insurance makes possible reductions in rentals for desirable space. The installment plan of buying, which for good or ill is now so general, can only exist and expand with the aid of fire insurance service. It is believed that in the future tax rates may be reduced on buildings which have been made as nearly as possible fire-proof, on the grounds that such a building not only is not apt to require fire department services, but also actually arrests the progress of fire commencing in an adjacent structure not so well built. It is not doubted that the requirements of the companies in the matter of records for loss adjustment purposes will continue to have a wholesome effect in stimulating the use of appraisals and the improvement of inventorying in many businesses."

Considering the requirements of law and of regulations affecting the operation of fire insurance, Mr. Ludlum said:

"Perhaps it is desirable that insurance companies are required to make statements annually to each one of the states revealing details of operation, underwriting and investment income, expenses and losses paid and incurred, profit (if any) with a minuteness of itemized particularity such as probably no other business or occupation is called upon to render or reveal. Certainly there can be no 'trade secrets' in fire insurance. Perhaps also, but not surely, it is expedient and in behalf of the public interest that supervision of the fire insurance business by the states should extend so far beyond the policy of other countries in this respect.

"These presumptions may be admitted, however, without impairing the force of the assertion that the variety and diversity of valued-policy, anti-coinsurance, anti-compact and anti-this-that-and-the-other laws; statutes forbidding agreements on rates, and others (frequently in the same state, strange as it may seem) practically forcing all insurers into a single bureau or association committed to rigidly uniform conduct and operation, do constitute obtrusions of state control which hinder rather than promote the rendering of the fullest service."

Of the development of inspection services for the prevention of industrial accidents, Mr. Burns said:

"Probably the first regular inspection service for the prevention of accidents, for conserving life and property, was given with steam boiler insurance, and this class of insurance was also one of the first of the casualty lines. While the casualty companies in their earlier days may have inspected a certain portion of their risks, the regular and periodical inspection work was confined to elevators and steam boilers, and there is no line of insurance where such a large proportion of premium charge is paid out for inspection service as under boiler policies. The assured in this line has been educated to pay in the interest of prevention."

The interest of the companies in promoting safety, Mr. Burns explained, saying that, "the companies are subscribing a large amount of money each year to the National Safety Council, and lately have authorized the expenditure, through the American Engineering Council, of many thousands of dollars for the purpose of making an engineering survey of the relationship between industrial safety and efficiency of production, believing that the way to interest executives is to show them that safety is intimately related to production."

Taking the place of Mr. Smith, Mr. Madden referred to significant items in Mr. Smith's report, saying that Mr. Smith had emphasized the interest of insurance companies in the activities of the Chamber's Insurance Department with the fact that there are about 169 fire insurance companies, 102 life insurance companies and some 70 casualty insurance companies holding membership in the National Chamber, or a total of 344 insurance companies with total assets of more than \$10,000,000,000.

Also disclosed was the Chamber's survey of special insurance taxes, the aid given to business men in protecting their interests against constantly rising trends in work-

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YES—it's steel equipment—but it's from the shop of Art Metal craftsmen.

Why does it differ? Partly because the Art Metal of today is wrought from special open hearth steel—partly because its triple spot welded construction gives double strength—partly because every fitting is perfectly machined—partly because the baked-on enamel finish is more lasting and beautiful.

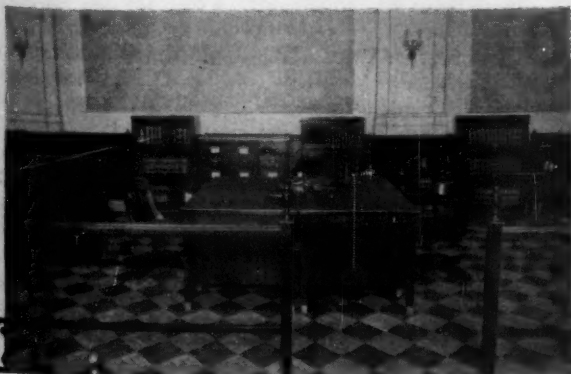
But there is another difference you will notice when you see an Art Metal product. It has a cleanness of line—a sturdy look of grace and beauty—an air of painstaking

attention to details that is both an aid to beauty and a guarantee of mechanical excellence. These things are the heritage of modern Art Metal workers from the first craftsmen ever to make steel office equipment.

The proof that these Art Metal standards have been maintained in Art Metal desks, files, safes, and cabinets awaits you at our display rooms.

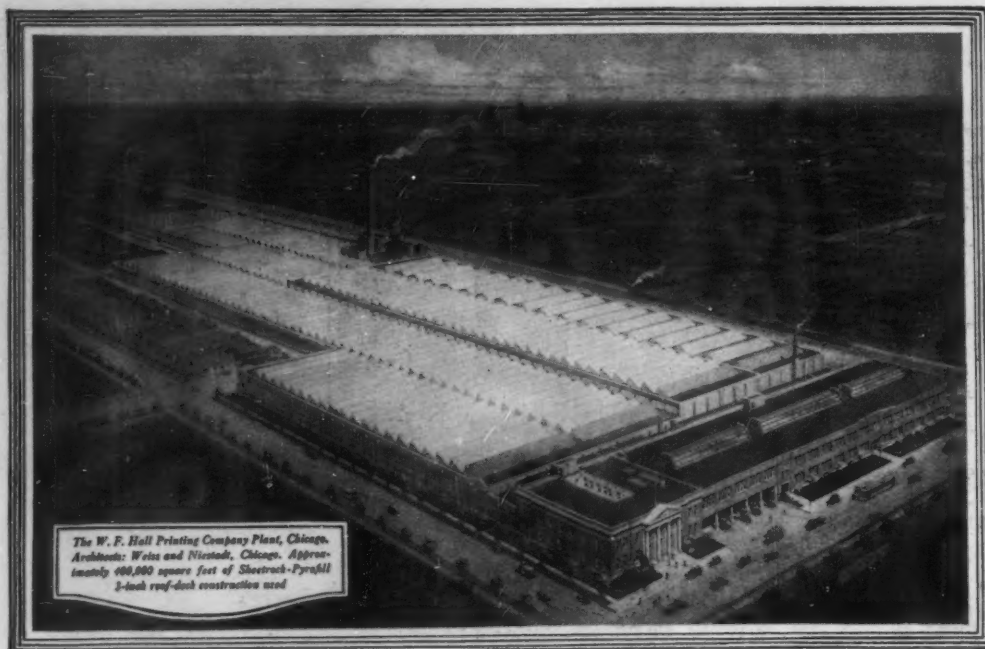
We shall gladly let you be the judge of Art Metal quality and beauty—and at the same time we shall tell you why Art Metal can be priced so reasonably. Art Metal Construction Co., Jamestown, N. Y.

Here is a section of the Art Metal equipped offices of the Wells-Brown Co., of Toledo, Ohio. Note how Art Metal lends dignity to this office.



We will gladly furnish prices and specifications of Art Metal steel office equipment. Write us for catalog and complete information.

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Twelve acres, devoted exclusively to fine printing! And under this far-flung expanse of roof, temperature and humidity must be controlled with utmost precision. Lighting must be well diffused. Firesafety was of extreme importance. Fuel economy was a vital consideration.

A Sheetrock-Pyrofill roof deck was specified. In this modern monolithic roof system, only the smooth, grey-white panels of Sheetrock are seen from underneath. Light diffusion is splendid and painting unnecessary.

And above the Sheetrock lies a thick, highly insulative blanket of Pyrofill—enduring gypsum rock poured-in-place, which *cannot* burn or transmit fire. It stops the passage of heat, saving fuel, preventing condensation of moisture and making possible a close control of temperature.

Wouldn't the complete architectural and engineering data on this unique and efficient roof-deck system be a good thing to have in your files? Just have the coupon mailed.

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Dept. H, 300 W. Adams Street, Chicago, Illinois

Please furnish me with full engineering and architectural data on Sheetrock-Pyrofill Monolithic roof-deck construction.

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men's compensation, its vigorous opposition to monopolistic state funds and to compulsory automobile insurance, its interest in the certification of automobile titles to combat theft, its concern to obtain a more complete registration of births and deaths, its work in behalf of fire prevention and fire waste reduction, its important insurance investigations and their value in educating the business community, and the information made available in response to specific inquiries.

How Shall We Build Our Cities?

SHOULD we build our cities up or out, should we ride in subways or automobiles? Do the elevators of skyscrapers relieve street traffic congestion? How many men whose signatures you want on a dotted line—or who want your signature on a dotted line—have offices in the same building with you, and is this an advantage or a disadvantage? Is it your ideal of a business day to enter a skyscraper in the morning and stay until evening, visiting your customers, clients, patrons by going up ten stories or down twenty, get your lunch on the roof, your hair cut in the basement and, on your way home, stop in the lobby to buy a tabloid to read on the subway and violets for your wife?

The Street of Tomorrow

ARE YOU thrilled at the thought of air level streets, five levels underground, and at the thought of paying the taxes necessary to build them? And would you like to have the Government stagger your business hours, telling you when to open your office and when to close it so you and your staff will leave enough room in the subways and on the six level streets for the other tenants of your building to come in the morning and leave in the evening?

These were some of the questions asked at the Civic Development Session which staged a debate between advocates and opponents of skyscrapers.

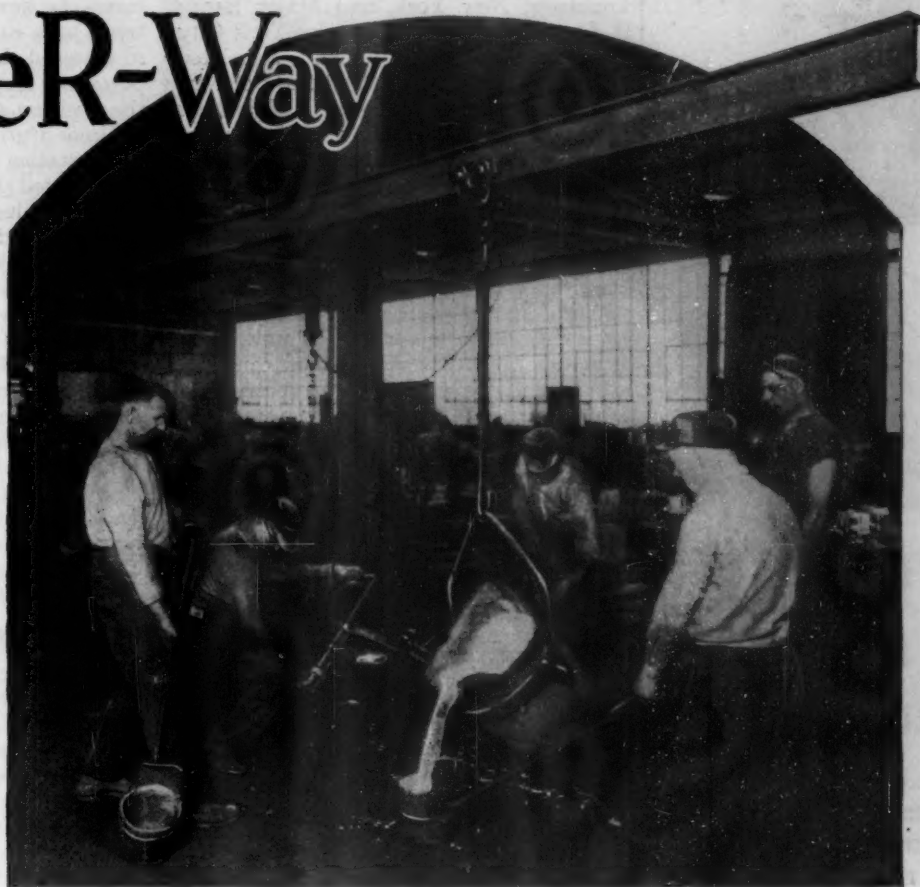
This question of bulk of business buildings was used as illustrative of one of the concrete problems that face us in the building of our cities. It was preceded by a discussion of the new city which has spread over wide areas outside the municipal boundaries. This was opened by Robert Kingery, Secretary of the Chicago Regional Planning Association, who gave an excellent outline of the common-sense advantages of proper planning.

Who Are Civic Leaders?

MR. KINGERY established beyond doubt the fact that the leaders of business are becoming the leaders in civic development and that the principles of business are being applied to city planning. He attributes this new interest which business is taking in civic affairs to the serious problems which have been created by the automobile.

Mr. Kingery's explanation of civic growth was an excellent frame for the detailed picture of high and low buildings which were admirably defended by the two leading advocates of each type, Harvey Wiley Co

OveR-Way



Saves 54 man-hours a day!

**Result is increased production, quicker service to customers,
and an end to interrupting the work of other departments**

T. W. Hall, Purchasing Agent of the Mound City Foundry, St. Louis, says:

"A year ago we installed a Richards-Wilcox OveR-Way System with about 300 ft. of I-beam track for conveying molten iron from the cupolas to the molds. Six ladles of 500 lbs. capacity, hanging from R-W Ball-bearing Trolleys, handle all iron for castings of 500 lbs. or less. Now one man can easily move a ladle, where formerly it required 2 men to carry a 150 lb. ladle.

"Since the traveling crane is usually busy pouring large castings, most of the iron for smaller castings was formerly carried by hand. During pouring hours, we used to call in six men from other departments to help carry iron. Now it is all handled by the regular foundry crew.

"Our R-W equipment has cut our pouring time from an average of $2\frac{1}{4}$ hours a day to $1\frac{1}{4}$ hours. Saving six extra men's time for $2\frac{1}{4}$ hours and the regular crew's for 1 hour means a total saving of about 54 man-hours a day. This saved time is put into increased production, which gives quicker service to customers. It has also put an end to interrupting the work of other departments.

"With the help of R-W equipment, our accident expense has been cut about 30%, and our liability insurance premium has been materially reduced.

"Our R-W track, switches, and trolleys give us no mechanical trouble, and the only maintenance necessary is to oil the trolleys daily.

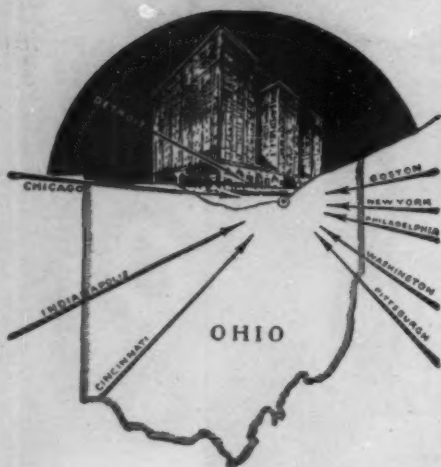
"We are planning to extend our OveR-Way System so as to carry castings from the foundry floor to the cleaning room."

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bett of Helmle, Corbett and Harrison, Architects, New York, and Major Henry H. Curran, counsel of the New York City Club. Mr. Corbett, intimately associated with many of the highest and finest of New York's buildings, presented the advantages of skyscrapers. Starting with the fundamental principles of business life, Mr. Corbett stated that the skyscraper was the first architectural advancement made in the last two thousand years and that this advancement was the natural outgrowth of American business necessities. He attributed the success of America to its ability to produce large quantities of work in a short time and that this method can only be satisfactorily carried on by concentration of business. The skyscraper is, therefore, the solution to our growing business complexities.

He called attention to the fact that American business is carried on differently from European business. In Europe, shops, stores and businesses of all types are mingled together and spread out over large areas requiring considerable time to transact business with several different persons. In America, however, financial firms are grouped together in one section, the legal fraternity in another, shops are confined to a third district, and wholesale houses to a fourth, etc. This we have recognized and regulated by zoning for use.

It is, therefore, a saving of time to conduct all of one's business in one section, preferably in one building. To purchase wholesale commodities within a radius of a quarter of a mile, or to buy hats, shoes, collars, and all wearing apparel without crossing a street is an asset to the conduct of business.

This advantage is increased by permitting large high buildings which concentrate each kind of district in a small area.

A Striking Illustration

IF THE Forty-second Street District in New York were flattened out to seven stories it would cover a mile and a half. Certainly time is saved if one may travel vertically instead of horizontally and the reduction of street traffic is thus apparent. Skyscrapers, therefore, do not add to street congestion, but actually relieve congestion.

In the matter of the economic height of skyscrapers, Mr. Corbett stated that it should be considered from two angles, first, that of the owner, and, second, that of the community. In the first case a height of twenty stories has been proven to be the height at which the greatest net return will be produced. To build higher so increases the cost of construction that the net return rapidly falls. There is no need, therefore, to place a restriction upon the height of buildings, as the economic factor will in itself limit all but those buildings erected for monumental or advertising purposes.

From the standpoint of the community there is a definite relation between the bulk of the building and the street capacity, and, inasmuch as high buildings are essential to American methods of business, streets should be designed to accommodate the resulting traffic. This naturally results in many level streets such as the one which was recently built in Chicago. Mr. Corbett ended his talk with the plea that because

of the necessity for skyscrapers and because the flow of traffic is of vital importance to a city's growth, streets should be so designed that additional means of transportation may be added to accommodate the business needs of the city.

Major Curran, opponent of skyscrapers, in advocating a lower height limit for cities, also started with fundamental principles. He stated that a city beautiful has a very real dollar and cents value and that lack of control over the height of buildings spoils the appearance of many beautiful structures. A building which when erected is pleasing in appearance, provides plenty of light and air for its occupants, and pays a substantial return on its investment, is depreciated in value both from the standpoint of monetary return and desirability to its tenants as soon as other skyscrapers flank it on all sides. It is because of this condition that New York is an outstanding example of ugliness, and it is because of this ugliness that so many Americans seek the beauty of European cities.

Why No Autos Downtown?

IN REPLY to the statement that there was no automobile congestion in Lower Manhattan, Major Curran stated it was because automobiles could not get beyond the traffic blockade at Forty-second Street, which was as effective as the old wooden stockade at Wall Street, for which the street was named.

In the matter of doing all one's business in a single section or single building Major Curran stated that a count of such transactions revealed the fact that only one person in forty transacted business with an architect in the same building. In commenting on the traffic problem, Major Curran was not so much concerned with that which existed during the business hours as he was with the traffic of the morning and evening rush hours. He stated that even if the skyscraper had no effect upon street traffic it certainly affected the subway system. If a ten-story building housed a given number of workers, a twenty-story building would house double the number. Likewise if the present buildings in Manhattan created serious congestion in the subways additional skyscrapers would present a problem almost impossible of solution. Enough building plans have recently been approved to add 150,000 persons to the business district. This number will require five subway tracks running trains at capacity loads to accommodate these persons during the rush hours.

A Subway to Cost \$700,000,000

MAJOR CURRAN stated that New York was now planning subways at a cost of \$700,000,000 for the accommodation of those persons destined each day to the business section. This sum is of such size that expenditures for all other municipal improvements must be curtailed and after the money has been spent and the subways in operation the congestion will be as bad as it is today because skyscrapers are still being built. And not only, he stated, will the \$700,000,000 have been lost but the city will be so far behind in necessary municipal improvements that it will never be able to catch up.

The discussion which followed was led by Arthur S. Bent, President, Bent Brothers, Inc., Los Angeles, California. Mr. Bent stated that Los Angeles had placed a height limit of one hundred and fifty feet upon its buildings. The result of this height limit he thought relieved what would otherwise be a very congested area. The relatively low height limit spreads the shopping district over large areas and prevents the exploitation of real estate.

Civic Competition Affected

THE LAST speaker on the program was Fred E. Reed, of Oakland, Calif., first Vice President of the National Association of Real Estate Boards. He dealt with the question from the point of view of a realtor who handles many "downtown" business buildings and who is concerned not only with the properties of his clients as a group but with the advantages offered by his city in its competition with other cities.

"Selling real estate," he said "is not the only thing with which realtors concern themselves. Like the successful automobile salesman, they must make sure that they have a good product." He approached the question from the viewpoint of: 1st, income on property, 2d, deductions from incomes, 3rd, permanency. Economic height is the height above which the return from each additional story would be a diminishing one. In a sixteen-story building it is not the top floors which tell the story, but those below the seventh—for every tenant wants the better light and air of the upper floors.

Shall Politics Rule Our Resources?

AT THE sources of industry—materials and power—the Natural Resources Production Department of the Chamber of Commerce of the United States is on guard to deal with collective problems, Chairman Milton E. Marcuse told the lively luncheon session of his section. Reviewing the work of the past year, under the title "Natural Resources in the New Era," Mr. Marcuse found that in conservation of natural resources business was solving for itself and the nation every problem in a far better way than government bureaucracy could hope to solve them.

Future Forests Assured

COMMERCIAL forestry is settling the problem of future forests and the lawmakers have about abandoned all thought of growing trees by legislative restriction of the forest industries. At the same time, Mr. Marcuse pointed out, the lumber industry embarks on a \$5,000,000 trade extension enterprise for group advancement in "the new competition," involving exhaustive research in forestry and economical utilization of wood. And the Chamber of Commerce, helping the forest industries to help themselves, is to hold a great national commercial forestry conference in October.

The petroleum industry, fending off governmental regulation, is mastering the problem of efficient production of mineral oil and will no doubt deal successfully with its marketing and distribution tasks.

The Government has kept its hands off



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A rich, green, glorious

MELLOW with tradition, rich in beauty and resources, Wisconsin's rolling hills of forest and meadowland form one of the most favored regions in America. Twenty-five hundred lakes sparkle amid its whispering forests. Its sandy shores are washed by the blue waters of Lake Michigan and Lake Superior. Its brooks and rivers go laughing down to the blue upper reaches of the Mississippi.

Here was the Indians' happiest hunting ground, the land of richest promise to the French voyageurs. Today it is a northern playground for the entire Nation. It is, besides, one of the richest dairylands on earth. And its cities, the steady growth of generations of social and industrial experience, are powerful world-famed communities. Wisconsin stands first in production of:

MILK: 9,062,000,000 pounds annually; farm value, \$187,857,000.

CHEESE: 338,305,000 pounds; value \$75,550,000. 70% national total.

CONDENSED DAIRY PRODUCTS: Almost one-third America's full output. Value \$40,204,000.

MANUFACTURED DAIRY PRODUCTS: Value \$244,865,000.

FARMING: First in silage, peas, hemp, clover and pure-bred seed. Only North Central state where farms increased in number between 1920 and 1925. Dairy farms, 178,000; milch cows, 2,050,000. Sixth in total value of agricultural products, though twenty-fifth in area and thirteenth in population. Highest average yield of farm crops. The extraordinary variety of products includes a valuable tobacco crop.

INDUSTRY: World's largest production of aluminum kitchen utensils. Ranks among leading states in production of fiber, wood and metal furniture; farm implements, automobiles, textiles; paper and paper products; paints, varnishes and stains.

MILWAUKEE: Probably the best balanced industrial city in the world. Population of metropolitan area, 750,000. Trade depressions and industrial slumps are virtually unknown. Lowest death rate of any major American city; lowest percentage of crime. One of the greatest construction and repair railroad plants is maintained here by the Chicago, Milwaukee & St. Paul Railroad.

Young in opportunities

Wisconsin is not new country—except in its ever-fresh opportunities.

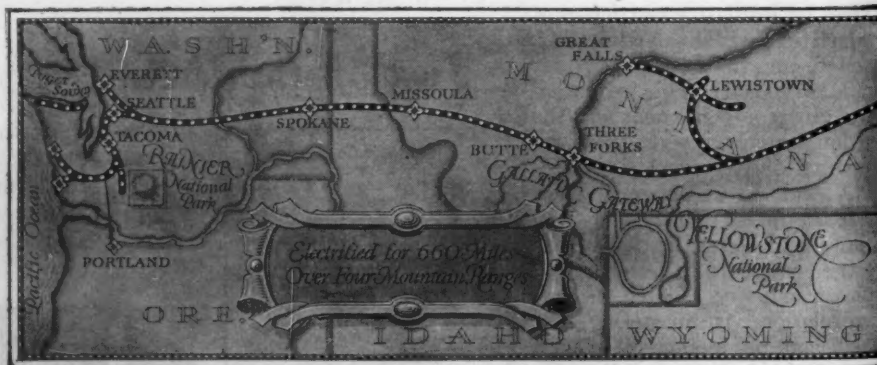
It is one of the most delightful and livable regions. Young forests cover vast areas, affording shelter to a great variety of birds and wild game. The lakes and streams are world-famous as the habitat of trout, bass, and the gamiest of fresh water fish—the tiger muskellunge. It is directly accessible to four major cities—Minneapolis, St. Paul, Milwaukee and Chicago; and its smaller cities have a cultural and industrial background that is traditional.

A new rush has commenced into Wisconsin. The nation-wide demand for water-frontage has discovered its extensive sandy shores, its sunny lakes in the depths of glorious forests, its nearness to great cities. All business is prospering mightily as the tide rolls in.



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ROUTE TO THE
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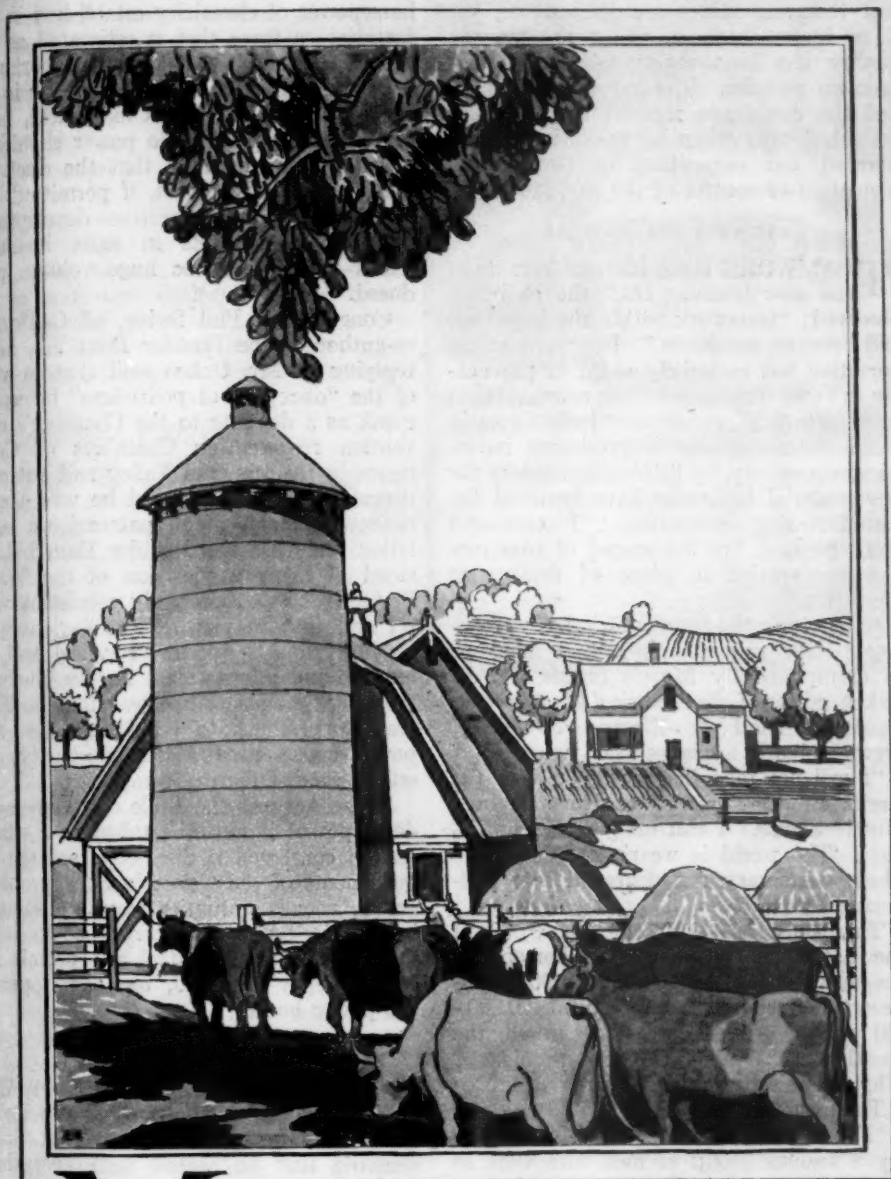
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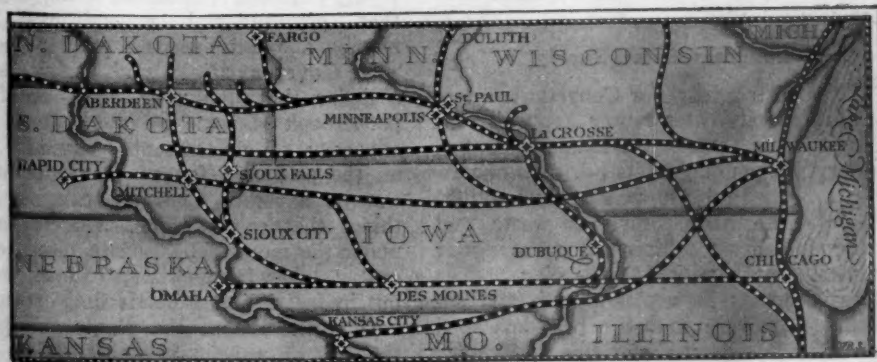
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Where the road began

RAILWAY building began in 1851 with 20 miles of track from Milwaukee to Waukesha—extending later to Madison, and then to Prairie du Chien. This line, linking Lake Michigan with the Mississippi, was the forerunner of the vast Chicago, Milwaukee & St. Paul system.

The Milwaukee Road is now over 11,000 miles long, employing 60,000 people. It extends a network over all the enormous block that forms the northwestern fourth of the United States—from Chicago to Kansas City, Sioux City and Omaha; to Minneapolis, St. Paul and Duluth; to Milwaukee, the Upper Michigan Peninsula, the Black Hills, all the Northwest, Puget Sound, the Olympic Peninsula and the Pacific.

Growing with the great body that forms the agricultural, industrial and commercial life of the farther Middle States and all the Northwest, the Milwaukee Road has extended its trunk lines, spurs and feeders into the richest and most beautiful regions of this section of the continent. Carrying farm implements, machinery, tools, seeds, pure-bred stock, and people in an endless stream, it brings new life to the Northwest. Across the Belt, Bitter Root, Rocky and Cascade Ranges, to shipside—it is electrified. A new pioneer step is the equipping of its passenger cars with roller bearings.

See it on your way to the Coast

When you make your next western trip, take this wonderful route. You will see the most diversified scenery in America—the golden plains—lush dairy country—three of the greatest rivers in the world—four tremendous mountain ranges—the glories of Puget Sound—truly an empire of immeasurable opportunities!



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the coal-mining industry, and a national coal strike that doesn't make a ripple on the surface of public interest is witness to the industry's ability to handle its affairs in the common interest. "A hundred thousand miners have ceased to work and several thousand mines are shut down, yet there is no shortage, prices are normal, quality has been maintained; there has been no violence. The industry has justified the confidence reposed in it by this body last year when by resolution we reiterated our opposition to Government regulation or control of the coal industry."

Teamwork the Keynote

"TEAMWORK is the business keynote of the new business era," the chairman observed; "teamwork within the industries and between industries." Improved transportation has materially aided in preventing a coal emergency, improvements in manufacturing industries have greatly aided the metal and oil-producing industries; conversely, by helping themselves the raw material industries have bettered the manufacturing industries. "I commend you," he said, "to the gospel of constructive cooperation in place of destructive regulation."

Contrasting the success of industry regulating itself with government in industry, as exemplified by Muscle Shoals, W. H. Onken, editor of the *Electrical World*, whose topic was "The Hydro-Electric Power Era," drew a salvo of applause when he said:

"I will not take the time to discuss the merits of the present controversy over Muscle Shoals. I can only say with Disraeli: 'The world is wearied of statesmen whom democracy has degraded into politicians.'"

That only 12,000,000 of 55,000,000 of the nation's potential water horsepower has been developed, when 30,000,000 hydro-electric horsepower would save \$400,000,000 worth of coal annually, raised the questions: "Wherefore this profligacy? Why this miserly hoarding of resources?"

The answer:

"For a time there existed in this country a zealous group of men who were so fearful lest coming generations might not have the wherewithal to warm, clothe and feed themselves that they made it difficult and well nigh impossible for any man or set of men to develop our natural resources. They believed, mistakenly but none-the-less sincerely, that conservation meant to keep all things as they are. As a result hydro-electric development was seriously retarded."

Congress Acted Slowly

IT TOOK ten years for Congress to enact the Federal Water Power Act which affects 85 per cent of all available water-power. Responding to its purposes of putting to beneficial use water which otherwise would run on forever to waste, and to produce from falling water the power so vital to the nation's well-being and so essential to its industrial growth and supremacy, private industry has developed 1,500,000 horsepower and has undertaken to develop 3,200,000 more in the next ten years. Calling cheap power the first fundamental of industrial progress, "the social

consequences of which are tremendous," Mr. Onken quoted Lord Rothmere as saying in the *London Daily Mail*:

"The economic welfare of the United States is based more than anything else upon the fact that she has 29,000,000 horsepower of electricity established in her factories—a force that is estimated as the equivalent of 290,000,000 human workers."

Showing that hydro-electric power is not always economical, Mr. Onken held, however, that all practicable power should be developed and declared that the electrical industry is ready to act, if permitted. It can make a comprehensive development and "create markets in most instances which will absorb the huge volume produced."

Congressman Phil Swing, of California, co-author of the Boulder Dam bill, hotly replying to Mr. Onken said that in view of the "disrepute of politicians" he would speak as a delegate to the Chamber's convention representing Chambers of Commerce in the Imperial Valley and not as a congressman. He declared he was a consistent opponent of all paternalistic legislation and that the Boulder Dam bill instead of being a violation of the Water Power Act was thoroughly consistent with it; and that in view of the various conflicting interests and the physical and interstate and international factors involved, the only feasible course was for the Federal Government to build the dam and power house, produce the electricity and sell it to distributing companies.

If the Act was the Bible of water-power development it must be taken as a whole, and so construed it distinctly met the requirements of the Colorado river problem. In the peculiar situation it was absolutely impossible for the Government to build the dam for flood control and permit another agency to build, own and operate the power house.

Agrees with Editor

COMING to Mr. Onken's support, Wm. A. Pendegast, chairman of the Public Service Commission of New York State, declared that he agreed with everything Mr. Onken had said. New York has a water-power act, similar to the national act—a great act, but the development of water-power in New York had nevertheless become a political problem in which the question is: "Shall one man's views obtain?"—a reference to Gov. Al Smith.

Standing, also, with Mr. Onken, S. S. Wyer, engineer, Columbus, Ohio, asserted that governmental expenditures were merely a public use of private money. "The Government" he said, "cannot spend a dollar that does not come out of the pocketbook of some private citizen. The advocacy of government ownership rests on the economic fallacy that government can be a Santa Claus distributing good things that cost nothing. Government is under the moral obligation to return every cent it takes from citizens to erect works, but in fact it issues bonds that extend far beyond the life of the plants and passes the bill on to the next generation. His own city of Columbus, Mr. Wyer said, had issued bonds to cover property that would be junk within ten years. L. J. Folse,

Jackson, Miss., paid his respects to congressional messing with Muscle Shoals and Mercer Reynolds, Chattanooga, offered a resolution declaring for private operation of the Muscle Shoals plant, which was unanimously passed.

Having thumped and banged government ownership and operation of water power development to its complete satisfaction, the meeting turned its attention to the Mississippi River Commission and loudly applauded Walter H. Parker of New Orleans when he assailed the "levees-only" advocates, in his address on flood control.

"There are two sides to this flood control question—just as there are two sides to fly paper," he said, "and the levees-only men can take their choice. For two hundred years the levees-only people have been in the saddle. They have never won a fight against a great flood, and they never will."

Preacher of Flood Control

MR. PARKER said that until the great flood of 1912 he had been a levee-only man, then he saw the light, when George H. Maxwell, secretary of the National Reclamation Association, came preaching in the flood control wilderness. Since then he had advocated broader measures, including controlled spillways on the lower river instead of breaks in levees, temporary impounding basins there, too, to take care of overflow; control of excess water at the sources of streams, that could be used for power, irrigation and navigation; impounding basins further down for temporary use, forestation of waste areas, and other checks of rapid runoff.

When all that is done, said Mr. Parker, the height of floods could be foreseen and made manageable with levees built to meet a known situation. As it is now all that man does tends to deny the river natural relief from its own blind flood might and concentrates the runoff of half the continent in a narrowed channel. In 1917, after years of patient effort for scientific action, the late Senator Newlands had got through Congress a comprehensive act to deal with the flood problem everywhere, but a rider on the Water-Power Act in 1920 repealed it. The work must be done all over again.

A Resolution Offered

HAVING won his audience with the support of George H. Maxwell, and Wm. Isham Randolph, famous engineer just returned from flood investigation for the Chicago Association of Commerce, Mr. Parker proposed a resolution to empower the president of the National Chamber to appoint a committee to investigate the causes and means of control of floods in the Mississippi valley.

The resolution was adopted unanimously and the Chamber gets another monumental public task to wrestle with.

The meeting also unanimously adopted a forest research declaration offered by Major E. G. Griggs, Tacoma Chamber of Commerce, looking to the permanent authorization by Congress of the various forest research activities, now dependent on annual appropriation acts, to expand research in timber growing, wood utilization

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and the elimination of waste, and authorizing a national survey of forest resources and timber requirements—all of which are embodied in a bill introduced into the last Congress by Representative John McSweeney, of Ohio.

A Business Entente For All America

FROM THE warm welcome of President O'Leary through the last address on the program of the Foreign Commerce group session, attended jointly by delegates to the National Chamber's Fifteenth Annual Meeting and by the delegates to the Third Pan-American Commercial Conference, every speaker focused attention on the vital need for cultivating a business entente between North America and Latin America.

In the consideration of Latin-American trade relations, the subject before the session, the members of the National Chamber were "most happy to have the assistance of our friends who are meeting here in Washington during these days, the delegates to the Pan-American Commercial Conference," said Henry D. Sharpe, chairman of the Chamber's advisory committee on foreign commerce, who presided.

A Billion-Dollar Market

THE SUBJECT was discussed from the viewpoint of the United States by Victor M. Cutter, president of the United Fruit Company of Boston; and from the Latin-American viewpoint by Fernando Ortiz, of Havana, president of the Economic Society of Friends of the Country, and by Federico T. de Lachica, vice-president of the Federation of Chambers of Commerce of Mexico. E. B. Filsinger, manager of the export department of Lawrence & Company of New York, the fourth speaker, told why Latin America is a "billion dollar market."

From every point of view closer contacts are desirable, Mr. Cutter declared, and he contended that "it is not possible for the sensible, courageous business men of the two greatest continents to allow a handful of self-seeking politicians, propagandists, and other pernicious persons by their baseless chatter to balk our efforts to establish a great and mutually advantageous trade which will be followed by educational, social, and cultural contacts, with the resulting harmony which we all desire."

Profit Motive the Basis

REFERRING to the bugaboo of imperialism and exploitation, he said: "In spite of all the talk and political bunk about these difficulties trade has vastly increased, which means that capital—the shyest thing on earth—has been and is being invested in increasing amounts. The profit motive is the basis for our economic decisions and it is the judgment of business men, both North and South, that trade is mutually advantageous and will increase. Talk to the contrary is all by propagandists and not by responsible business men or corporations, who, in spite of all alleged difficulties, have been and are steadily increasing their contacts, trade and investments."

"The answer is clear. There are no real

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hindrances to development of our trade, outside the present state of mind of a handful of propagandists which can be corrected by sane business men through proper publicity as to actual facts."

Of the assistance that he believed Government could give in facilitating this international trade, he declared that:

"All governments can greatly aid business men by simplification and unification of shipping, harbor, and pilot requirements; simplification of customs and tariff requirements; extension of postal, cable, and wireless communications; and all other proper functions of government."

"The governments of all countries, both north and south, should have a clearer definition of foreign policy and a continuance of the efforts which have been made through the Pan-American Union and other agencies for closer mutual understanding."

What Can We Do to Aid?

ANSWERING the question of what North American business should do to aid South American trade, he asserted that "They must realize that greater efficiency is needed in foreign trade than in domestic. There must be built up what is now entirely lacking—a North American personnel eager to go to foreign fields which will understand the social and cultural life and language of Latin America as well as the business facts. North Americans must learn that building foreign trade is an art—and that art is long."

"Foreign trade is not to be built by sporadic effort in times of depression, but must be a continuous process over a long period of years."

Cuba's readiness to share in the world's economic progress was emphasized by Mr. Ortiz in an address that also directed interest to the severe business crisis with which that republic is now at grips. As translated by G. Butler Sherwell, the official interpreter of the Latin-American Conference, the address urged American business men to get together with the Cubans in order to readjust the mercantile relations between Cuba and the United States.

Treaty of 1902 Out of Date

THERE is a need in Cuba for revising the commercial treaty of 1902, Mr. Ortiz suggested, explaining that although it served its purpose at the time, it had now outgrown its usefulness. Indicative of the steps taken by Cuba to protect her industries, he said, is the new tariff soon to be applied. A new parcel post treaty is needed, he thought, to increase the number of parcels that may be shipped between Cuba and the United States. He asked the delegates to go back home thinking of reciprocity between the two countries as the aim of Cuba—reciprocity so far as the moral and social life is concerned, a point of view he expressed with recommending "reciprocity, and reciprocity, and reciprocity."

The integrity of Mexico's business men will compare favorably with the business men of any other nation, said Mr. de Lachica, when referring to the difficult political situation in which his country has been involved since 1911. He said that "no-

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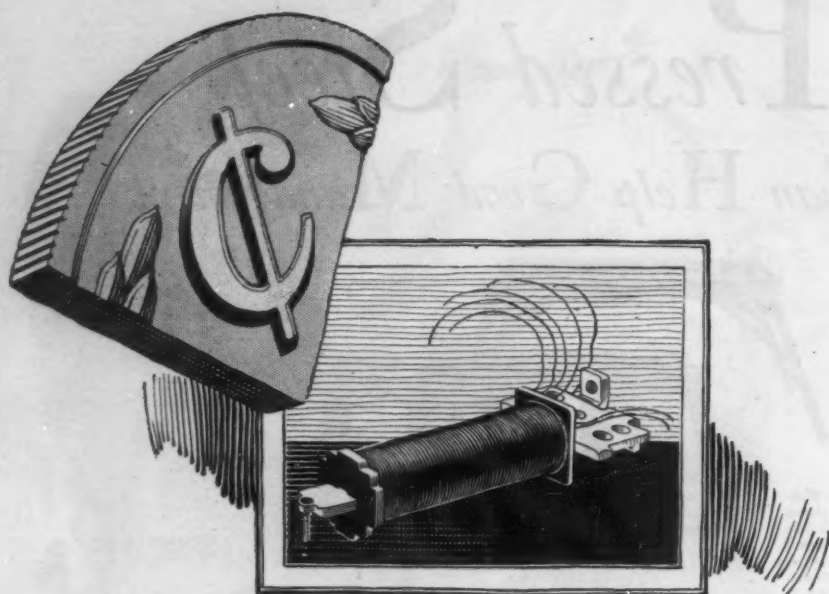
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body can produce concrete cases showing that Mexico's representative business men and representative business institutions have ever violated the sacred principles of commercial ethics. Their industry and commerce do not need this introduction to present themselves in any market on earth. However, they are ready and willing to show their mettle and to open their business conditions to inspection with the certainty that any one cooperating in the development of Mexico will soon be convinced that Mexico is and will continue to be in years to come, one of the best fields in the world for profitable investment."

In presenting Mexico's attitude toward foreign trade he made the emphatic declaration that "the Mexicans do not close their door to foreign goods not manufactured within the country; that they only allow themselves to grant protection and preference to their own manufactures, to try to supply their own needs and sustain a share in international trade."

Almost a Billion in Exports

LATIN AMERICA is a "billion-dollar market," Mr. Filsinger argued, because "In the year which closed December 31, the exports from our country to Latin America reached the total of almost \$900,000,000—to be exact \$872,800,000. Considering the marked decline in the prices of many items which figured in our exports, it is amazing that these figures register a decline of only about one per cent over 1925."

Equally interesting, he said, is the fact that with regard to exports from Latin America, the United States may also be known as another "billion dollar market," for this figure was exceeded last year when the imports from the twenty Latin American countries reached an aggregate valuation of \$1,045,000,000, as compared with \$1,009,000,000 the year before.

Competition Means Efficiency

COMPETITION which American manufacturers are facing by reason of the industrial development of Latin America might have its advantages, he thought, for in order "to hold these important and growing markets will require a higher degree of efficiency than ever before. The responsibility of management will be greater than in the past. The men who direct our foreign sales must have a more intimate personal knowledge, gained on the ground by travel and research, of the requirements of the markets in each of the twenty different countries. They must realize to a greater degree than at present, the marked differences between the several states which make up Latin America. They must take into account the extraordinary differences in the economic and social development of these Republics."

For the promotion of American commerce in Latin America Mr. Filsinger strongly recommended "the application of that high type of American salesmanship for which this country is favorably known throughout the world." He believed, he said, that "if we are to take the fullest advantages of our opportunities in that great trade field we must measure up to the most exacting requirements of the situation. In dealing with that region let us regard these

countries as twenty additional states, subjecting our trading methods there to the same rigorous research that we do in the home market. If this is done it is inevitable that there will be a growing realization of the need for carrying on hand, in strategic centers, stocks of finished goods, parts, accessories, etc., in order that our Latin American friends may be served with the same celerity as our fellow citizens at home.

More Autos to the South

"INDEED, in this connection it is appropriate to refer to the growing use of motor transport throughout Latin America. The need for speed influences construction of roads. Automobiles and motor buses everywhere are fast becoming an integral part of the vast railroad development in Latin American countries. Sales opportunities in this direction will follow in the natural course of events. In our sales expansion we shall be greatly aided by the efficient organization of the Bureau of Foreign and Domestic Commerce which is already functioning in almost all the Latin American countries.

"In the few important places still uncovered, offices should be opened in the very near future.

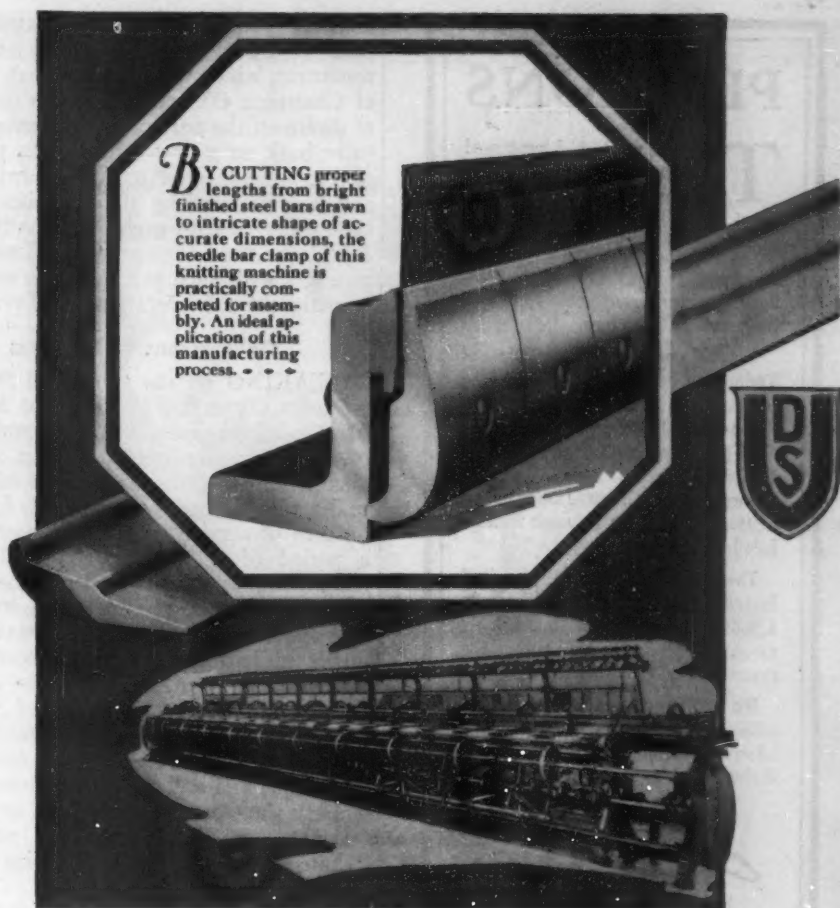
"Because the United States is one of the best customers of the Latin-American countries, Mr. Filsinger felt, he said, that "we shall be particularly favored if we encourage the greatest possible use of the products of the southern republics. It is, therefore, the duty of all of us to do everything that lies in our power to accelerate this development. If we do so we shall not only confer an everlasting benefit on Latin America, but we can fearlessly face the injunction laid upon the citizens of certain countries to 'buy only from those who buy from you.'"

Some Trends in Transportation

OUR MERCHANT marine commanded attention during a large part of the Transportation and Communication session. The subject was opened by Philip H. Gadsden, vice-president of the United Gas Improvement Company, of Philadelphia, who drew attention to an apparent tendency of the United States Shipping Board to perpetuate government operation of our merchant fleet by launching an extensive program of new ship construction and the slowing up of ship sales. A resolution protesting against this had been submitted by the Chicago Association of Commerce prior to the annual meeting.

T. V. O'Connor, chairman of the Shipping Board, denied that the Board is behind a policy of that kind or desirous of perpetuating government operation, but on the contrary stated that the Board desires to get out of business just as soon as it can sell its ships at reasonable prices, or dispose of its established routes at any price to parties who will guarantee their continuous operation for five years. Mr. O'Connor urged, therefore, that the meeting refrain from endorsing the resolution.

After spirited discussion, Julius H.



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Barnes, president of the Barnes-Ames Company, New York, offered a substitute resolution, which was adopted, that, in view of Chairman O'Connor's express disavowal of desire on the part of the Shipping Board to embark on a new construction program or perpetuate government operation, no action is required by the Chamber at this time other than to urge upon the Shipping Board the need for energy in disposing of its ships with such support as is necessary to make private operation effective.

Government in Business

SPEAKING on the subject of "Government Ownership of Merchant Marine," Mr. Gadsden referred to the discontinuance of the aggressive policy of ship sales, to abandonment of the conditional sales plan under which contracts were made for maintenance of service on essential routes over a period of years, to withdrawal of the most available ships for sale on the ground that they may be required for government operation, and to a series of legislative proposals in harmony with the recent trend of Shipping Board policy. One of these proposals, relating to the sale of Shipping Board ships, would have the effect of prohibiting the sale of the best and most available ships, and still another proposal would embark the Government upon a new \$250,000,000 shipbuilding program and issue "United States Merchant Marine Bonds" for the purpose.

Malcolm Steward, speaking for the Cincinnati Chamber of Commerce, asserted that the government-owned merchant marine is virtually the only merchant marine we have under our flag, that present services should be enlarged rather than curtailed.

H. M. Lawrie, representing the Portland, Oregon, Chamber of Commerce, concurred in the main with the analysis of government ownership which Mr. Gadsden had presented. The Portland Chamber believes that Congress should grant direct aid to all American ships engaged in foreign trade, including tramps, equal to the excess cost of operation over that of American ships, that rates of aid in each case should be fixed by the Shipping Board, and that contracts should be made for 20 years, with a readjustment of the aid annually, so that net earnings should be held at about 8 per cent, one-half of the excess over 8 per cent to be paid to the Construction Loan Fund of the Board.

Attacks Board's Attempts

IRA A. CAMPBELL, New York, stating that he voiced the opinion of substantially all private-owned shipping in America, asked the business men of America to stand with the private owners of American shipping against any attempt to entrench the Government permanently in the shipping business. The National Chamber has never gone on record on this matter, he said, since the proposal has come forward to grant the Shipping Board an appropriation running to hundreds of millions of dollars for new construction. He asserted that propaganda is being broadcast throughout the United States in behalf of this movement, and urged, therefore, that the Chamber subscribe to the main principle of the reso-

lution offered by the Chicago Association of Commerce.

Mr. Campbell denied that our only merchant fleet is the government-owned fleet, and cited numerous examples of a successful establishment of privately owned routes since the war.

The real reason the American private shipowner views with apprehension the proposed plan to build new ships, said Mr. Campbell, is that they cannot be built in American yards except at enormous cost. Furthermore, Mr. Campbell thinks it is not a matter of certainty yet that the Diesel engine is the most economical type, and that pulverized coal for the steam engine may make it more efficient than the Diesel ship. Where will we be, then, he asks, if the Government plunges into a large investment with Diesel ships?

Board's Chairman Replies

CHAIRMAN O'CONNOR of the shipping Board asserted that Mr. Gadsden had attributed to the Shipping Board policies for which he had no authority or basis. Referring to the reported proposals for a replacement program, Mr. O'Connor stated:

"In regard to the \$250,000,000 that Mr. Gadsden spoke of, I do not know where he gets that. I will guarantee that that is no statement from the Shipping Board. The Shipping Board is not behind a policy of that kind.

"The Shipping Board is for a merchant marine, absolutely—a merchant marine privately owned if possible, but a merchant marine, anyhow."

Far from being unwilling to sell its ships, Mr. O'Connor asserted that the board will sell individual ships at a very small percentage of cost and that it will dispose of established routes regardless of price to any responsible parties who will guarantee to keep them in continuous operation for five years.

Mr. Barnes then expressed the hope that the meeting would not pass a resolution framed on a reported policy of the Shipping Board which the chairman specifically disclaimed.

In offering a substitute for the Chicago resolution, which was read twice in the presence of Chairman O'Connor and Commissioners Smith and Hill of the Shipping Board, Mr. Barnes said: "I wish to have it on record that at the time this specific resolution was proposed Chairman O'Connor heard the reading which includes his expressed disclaimer of any intention to invest public moneys in new shipping."

The resolution was unanimously adopted, and is as follows:

"In view of the explicit disclaimer, before this section, by Chairman O'Connor of the Shipping Board, that the Board contemplates investing public moneys in new construction; and in view of his clear statement that the Board is determined to dispose of all ships and trade routes to private enterprise at any sacrifice if with reasonable assurance of continued service on these routes, this section believes these utterances accord with the adopted principles of the Chamber and no further action is necessary at this time, except to impress upon the Shipping Board the need of energy in

placing this shipping in private operation and with such support as necessary to make private operation effective."

William J. Dean, president of Nicols, Dean and Gregg, St. Paul, and member of the Advisory Committee of the Transportation and Communication Department, served as chairman of the meeting. Mr. Dean opened the meeting with a review of the department's activities during the past year submitted by A. L. Humphrey, president of the Westinghouse Air Brake Company, Pittsburgh. The report stated that during the past year the department has treated as major activities street and highway traffic, postal rates and the merchant marine situation. Under the first heading it has worked actively in furthering the program of recommendations of the National Conference on Street and Highway Safety. Under the second it has, through its Postal Service Committee, worked for a rational revision of the schedule of postal rates.

Under the third it has kept before its members and before Congress the principles adopted in the merchant marine referendum of 1926.

Other Carriers Considered

"NEW Trends in Transportation" was the subject of several short talks by W. L. Clause, chairman of the board, Pittsburgh Plate Glass Company, Pittsburgh; A. J. Brosseau, president, Mack Trucks, Inc., New York, and G. D. Ogden, traffic manager, Pennsylvania Railroad, Philadelphia, who spoke from the respective viewpoints of inland waterways, motor transport, and the railroads.

Lucius Teter, president of the Chicago Trust Company and chairman of the Chamber Postal Service Committee, reported on the work of the committee in connection with postal rates. A. C. Pearson, chairman of the Board of the United Publishers' Association, in supporting the resolution on revision of postal rates, called attention to the fact that while it is reasonable to assume that the people who use the mails for commercial purposes should pay the cost of such service, the law provides that the postal service shall be extended free or at preferential rates to a large volume of mail. He pointed out that there is no justification for expecting the other users of the mail to include in the rates they pay the cost of these free and less-than-cost-policy services. The resolution was adopted.

John G. Lonsdale, president of the National Bank of Commerce, St. Louis, submitted his report as chairman of the Aeronautics Committee of the Chamber. He called attention to the saving in time on bank collections which give depositors earlier credit for their money and laid particular stress upon the need for more tonnage for the air lines if they are to go on and develop this new and faster mode of transport.

Many of the leading men in the aeronautic industry attended the meeting and voiced their support of a resolution the keynote of which was the need for wide patronage of the facilities now operating in order to bring about successful air transport. The resolution was adopted.



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lor for the Bureau of Personal Accident
and Health Underwriters, Baltimore, Md.,
won the President O'Leary silver bowl for
the low gross score. Mr. Thompson's gross
score was 87.

The NATION'S BUSINESS prize, a silver
pitcher, offered for the low net score, was
won by C. M. Mark, Newport News, Va.,
with a net score of 67.

The prize for presidents of organizations,
a golf bag, was won by Milton P. Thwaite
of New York, president of the Association
of Manufacturing Bank and Commercial
Stationers, with a net score of 78.

Other winners were:

National Councillors' Class, traveling
bag: Edwin C. Johnson of Boston, of the
National Association of Bakers Supply
Houses. Net score 72.

Delegates' Class, locker satchel: L. P.
Dickie, Tampa, Florida. Net score 74.

Secretaries' Class, silver cigarette box:
William H. Howard, Indianapolis, Ind. Net
score 78.

Eastern Division, silver plate: James
Sherlock Davis, Brooklyn, N. Y. Net
score 75.

Northern Central Division, silver plate:
Charles C. George, Omaha, Nebr. Net
score 74.

Western Division, silver plate: Frank S.
Hoag, Pueblo, Colo. Net score 77.

Scores were tied for the Eastern Divi-
sion and Northern Central Division prizes
and lots were cast to decide the winner.

Fire Waste Contest Awards Made

ONE OF the events that attracted at-
tention was the presentation of the
awards to the four cities that had made
the best records in the Inter-Chamber
Fire Waste Contest for 1926. The win-
ner of the grand award—that is, the city
that made the best record in fire preven-
tion regardless of size—was the Albany,
Georgia, Chamber of Commerce. This or-
ganization last year won the same prize
and was the only one of the winners to
have won an award previously.

Winner of First Class

MILWAUKEE was the winner in Class
1, comprising cities with more than
100,000 population. Milwaukee has been in
the competition since it originated and has
received honorable mention in previous
years. The example of this city illustrates
the importance of steady, consistent effort.
The feature of the Milwaukee Association's

fire prevention program was the stress laid on educational work.

Huntington, West Virginia, was the winner of Class 2, representing cities of between 50,000 and 100,000. The results speak for themselves. As compared with the averages of the preceding five years, the number of fires was reduced from 377 to 301 and the property loss from \$406,220 to \$188,459. In addition, not a person was killed and only one was injured.

Owensboro, Kentucky, long a leader among the contestants but never before a winner, carried off the award for Class 3, which includes cities between 20,000 and 50,000. Its per capita fire loss last year was 75 cents. One of the features of their program was the organization of inspection crews which visited every house and building in the city and collected rubbish and other combustible material. It took the city three weeks to remove this accumulation.

Albany Gets Grand Award

THE 1925 record of the Albany, Georgia, Chamber was so outstanding that it was unreasonable to expect greater progress to have been made in 1926. Yet such was the case. The per capita fire loss was reduced to 44 cents. Usually salvage operations to prevent water damage are carried on only in the largest cities, but this is a regular part of the local fire department's work. In fact, it was carried on so efficiently last year that there was not a single instance of water damage at a fire. This city's outstanding achievement won it first place in Class 4, including cities of less than 20,000, and also the grand award for the best record of any city regardless of size.

Governor Walker, of Georgia, in presenting the awards, pointed out that "scarcely less credit should be given to cities which just missed receiving awards by a narrow margin." It is an indication of a very healthy condition that the difference between the winning cities and their competitors was but slight.

Among the cities that received honorable mention are: Philadelphia; Portland, Oregon; Pasadena, California; New Britain, Connecticut; Yakima, Washington; Mansfield, Ohio; Billings, Montana; and Fullerton, California. There were many other cities that made outstanding records but the list is too long for inclusion in this report.

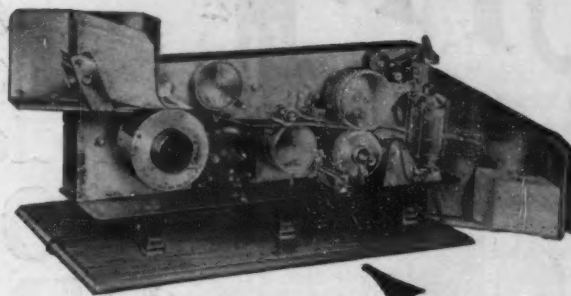
"Prior to 1923 it is doubtful if 50 chambers of commerce throughout the country had fire prevention committees," Governor Walker pointed out.

Progress of Contests

IN THE 1923 contest only 70 cities submitted reports. In 1924 a few more than 100 were received. For 1925 there were 221, and for last year 303, an increase of 37 per cent over the preceding year. When it is considered that the population of these 303 cities is nearly 24,000,000, we can see how widespread the contest has become in the short period of four years.

"Last year thousands of lives were again sacrificed because of fire and more than \$500,000,000 worth of property was burned, a sum equivalent to the cost of the Panama Canal. One may say that \$500,000,-

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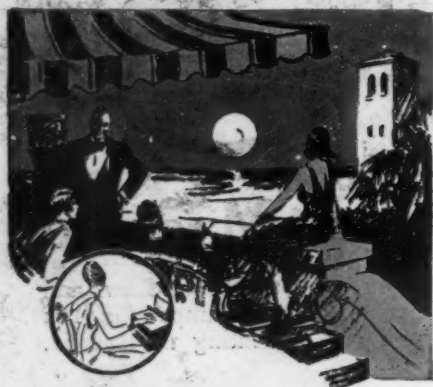
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000, our annual fire loss, is not cause for serious alarm in a country as wealthy as the United States, but unfortunately that statement will not bear analysis.

"The vast amount of \$10,000,000,000 must be put to work at 5 per cent in order to yield sufficient income to rebuild the property destroyed annually by fire—a tremendous penalty which must be recognized as being for the most part the price of carelessness. Fire waste is one of the leading sources of preventable loss borne by American business.

"The Inter-Chamber Fire Waste Contest, uniting, as it does, the National Fire Waste Council, which represents leading national fire prevention agencies, the Chamber of Commerce of the United States and local chambers of commerce throughout the country, is providing a means by which we may eventually hope to check this wasteful drain upon our resources."

Trade Heads Meet

ONE HUNDRED and twenty-five odd members attended the Mid-Year Meeting of the American Trade Association Executives and heard H. B. Teegarden of the Department of Justice and Commissioner Myers of the Federal Trade Commission discuss the relations of the anti-trust laws to trade associations. Both speakers stressed the important constructive work which trade associations are carrying on well within the limits of the law.

The business side of the meeting was the receiving of the report of the special committee of the American Trade Association Executives to the Chamber of Commerce of the United States on a program of service to trade associations.

Dr. Hugh P. Baker, secretary of the American Pulp and Paper Association, and chairman of this special committee, read a communication from President O'Leary commenting on certain phases of a report which call for immediate consideration.

Chamber and Associations

HE CONGRATULATED the committee on its able report and said the National Chamber was prepared to go ahead in extending its service to trade associations along the lines suggested by the committee. Both the report of the special committee and President O'Leary's letter will be distributed to trade association executives.

Mr. Teegarden called attention to a new procedure of the Department of Justice in connection with its handling of anti-trust cases. The Department of Justice will consult beforehand with business interests with reference to proposed mergers, consolidations, etc., and also with reference to proposed plans for the organization of trade associations. The Department will not give those with whom it thus communicates a legal opinion, but it will tell them what it thinks about the proposed plan.

If it thinks it is all right, it will say so, which is helpful even though it does not in any way constitute an "immunity bath." Commissioner Myers said that he hoped the day would come when the Federal Trade Commission would have developed sufficient confidence in itself among business

men and others to be empowered to say to a trade association whether a given activity was or was not legal.

Commissioner Myers looked forward to the time when the Federal Trade Commission would be able to give trade associations definite assistance in enforcing standards of trade practice which had been agreed upon by a substantial proportion of the industry in question as fair and in the interest of the efficient conduct of the industry.

It was announced at the meeting that the annual convention of the American Trade Association Executives would be held at West Baden, Indiana, October 6 to 8, 1927.

Meeting of Nacos

THE annual mid-year meeting of the National Association of Commercial Organization Secretaries held Tuesday evening, May 2, was the largest in point of attendance in the history of the organization. Two hundred and thirty were present.

The feature of the meeting was the announcement by Major General Mason M. Patrick, Chief of Air Service, that he would grant the request of NACOS to sponsor an eight weeks' tour of the United States by Major Herbert A. Dorgue, Commander of the Pan American good-will flight, accompanied by Walter O. Lochner, president of NACOS.

Major Dorgue will visit more than a hundred cities in the flagship of the flight, the *New York II*. This is the first time an "amphibian" has been used in such a flight. On the tour, which will start about May 20, Major Dorgue will tell the story of the good-will flight and Mr. Lochner will spread chamber of commerce doctrine to thousands of business men. It is believed the tour will be a great stimulus to commercial aviation interests.

Major Dorgue was presented to those in attendance and spoke briefly of his visit to 20 Central and South American nations.

During the business session it was announced that the next NACOS convention would be held in Columbus, Ohio, October 24 to 27. The group meeting plan of program is to be used and all papers are to be concluded with definite practical suggestions for action.

President Lochner announced the election of F. Roger Miller to the NACOS Board of Directors to succeed Col. John B. Reynolds, who had resigned. William Holden was elected to the vice-presidency. Resolutions of appreciation of service of Mr. Reynolds and regret at his leaving were adopted.

A brief address was made by Richard F. Grant, ex-president of the United States Chamber of Commerce. He challenged the secretaries to go back 20 years, chart the progress of the development of their communities and find vindication of the necessity and importance of chambers of commerce. He said that a great majority of important movements during the last two decades had been initiated by chambers of commerce and that practically all of them had been aided by chambers.

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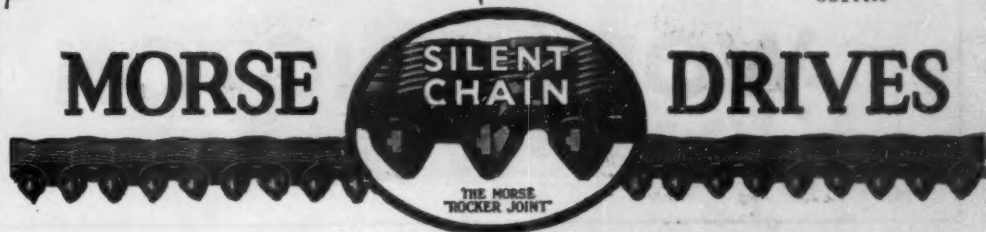
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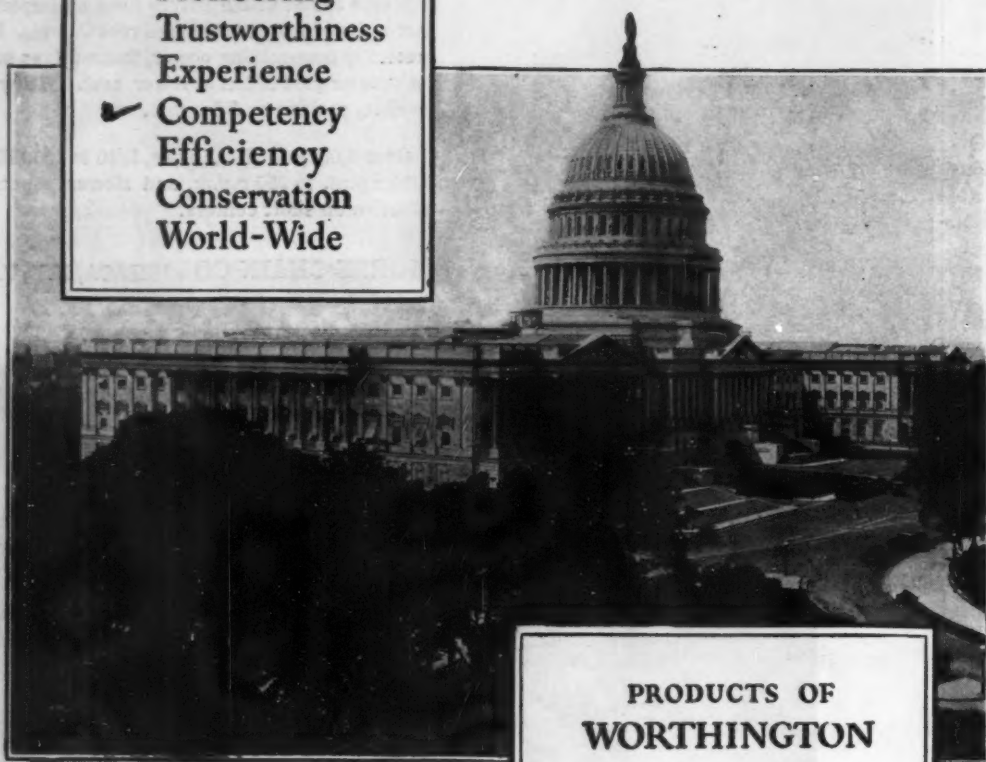
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